

# CSA Wealth Management, LLC

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# BROCHURE

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All registered investment advisors are registered either with the SEC or with the individual states in which they do business. For various reasons, not all advisors are required to register. To be registered means that firms are subject to the testing, rules, jurisdiction, and examination requirements of the regulators. It does not imply a certain level of skill or training

In an effort to allow customers to better compare and select advisors appropriate for their needs, each registered advisor is required to provide a brochure. This brochure, also known as ADV-II, is intended to provide information about the qualifications and business practices of the advisor, and to make it easier to compare the information to that of other registered advisors. These brochures are all arranged in the same format which includes 19 specific items. This cover page is the first item.

It is important to note that neither the United States Securities and Exchange Commission (SEC) nor any state securities authority approves or verifies any of the information prepared and presented in these brochures. Additional information about our company and our employees is, however, available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). If you have any questions about the contents of this brochure, please contact us at (276) 634-0000 or email [cindi@csawm.com](mailto:cindi@csawm.com).

## Item 2- Material Changes

### MATERIAL CHANGES SINCE PREVIOUS UPDATE OF ADV-II (March, 2010)

Since your last receipt of our ADV-II brochure, regulatory requirements for the presentation of this material have been changed. These changes are effective in the year 2011. In the past, a copy of this brochure was provided when the account was opened and at any other time upon request. We also asked periodically whether a copy was wanted. Under the new regulations, we are required to provide all clients a copy of this updated version, plus send an annual summary of all important changes that occur during subsequent years. In addition, you will be notified during the year if any changes in ITEM 9 (disciplinary information) should occur. As always, clients may request a copy of the complete brochure at no charge at any time. Call Chief Compliance Officer, Cindi Showalter, at 276-634-0000 or email [cindi@csawm.com](mailto:cindi@csawm.com). You may also download a copy from the SEC website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

From the inception of business in 2004 through 2010, CSA Wealth Management, LLC, (or CSA for short) has been registered with the Securities Exchange Commission (SEC). As part of the regulatory changes for 2011, the SEC will take on additional responsibilities for the oversight of previously unregistered entities. The states will, as part of this change, assume regulatory responsibility for some of the registered investment managers previously falling under the authority of the SEC. CSA Wealth Management, LLC is one of those affected managers and will in 2011 switch from SEC registration to that of the individual states in which it conducts business. Presently, those states include Virginia, North Carolina, and Georgia. We also conduct business in several other states within the *de minimus* limits, meaning that the number of clients with whom we currently do business in those states cause us to be exempt from the requirement to register in those states. While currently registered with the SEC, this document is being prepared according to the requirements that will be in place for "mid-size advisors" transitioning in 2011 to state registration.

The other significant change in regulations is that this form is now required to be written in plain English in a particular format and then posted on the SEC website. In our case, plain English has always been our practice so this change affects our format more than our content.

In future filings, this section of the brochure will address only those material changes that have been incorporated since our last delivery or posting of this document on the SEC website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### ITEM 3

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## **Item 4**

### **Advisory Business**

#### **Item 4A Our Firm**

CSA Wealth Management, LLC (CSA) is a discretionary portfolio management firm. It was founded in 2004 by Lucinda "Cindi" Showalter, who continues to be the sole owner of the firm. There are no subsidiaries or affiliated companies or parties of the firm.

#### **Item 4B Our Services**

We manage investment portfolios on a discretionary basis for individuals and for businesses seeking growth or growth and income. Our portfolios are usually long only, holding primarily stocks and bonds. We use both fundamental and technical analysis when making investment decisions, with emphasis on relative strength and trend analysis. On occasion, accounts are separated into two accounts: one for growth and one for income. Emphasis is generally placed on minimizing fluctuation over maximum growth, although the client may direct the opposite. More information on the investment process is available in Item 8.

Occasionally, at no additional charge, advice is given to clients on other wealth management issues including estate and retirement planning and execution. Additionally, prospective clients may be given advice about the suitability of their becoming a client after a review their existing arrangements.

Other than this, CSA does not furnish investment advice, issue periodicals or special reports, provide charts, graphs, formulas or other devices which clients may use to evaluate securities, nor do we provide timing services or offer tax or financial planning services.

#### **Item 4C Individual Accounts**

All accounts are individually managed for each account owner, so no two accounts will look the same. Although we know some account owners personally and are familiar with extensive information about their personal situation, this is not possible for all accounts. For this reason, account holders are allowed to impose restrictions on their accounts as detailed throughout this document, but will otherwise be managed according to the same overall strategy for similar accounts in terms of size, time frame, risk tolerance, growth objectives and income needs. As a practical matter, this means that no account will own all holdings selected for purchase, but when a decision is made to sell, the position will be sold across all accounts having no selling restrictions in place or specific circumstances that might exclude them from the sale. It also means that it is very important that the client advise us of any changes in their circumstances, either of a financial nature or of any changes that would necessitate a change in the investment strategy for their account. We solicit this information on a quarterly basis, but would depend on the client to inform us then or at any other time.

#### **Item 4D Wrap Fee Programs**

We do not participate in any wrap fee programs.

#### **Item 4E Assets Under Management**

Assets under management have varied through time of inception until now in the range of about \$25-\$35 million. As of December 31, 2010 discretionary assets under management are \$31,031,683.24, with an additional materially insignificant amount in non-discretionary assets. These amounts include the full value of all assets in the accounts, including those purchased on margin. We make little use of margin in our accounts, but we bill and calculate assets based on the gross, not net of margin, value of accounts.

## **ITEM 5**

### **Advisory Fees and Compensation**

#### **Item 5A Fee Schedule**

Fees for portfolio management are 1½% on the first \$500,000, 1% on the second \$500,000 and ¾% above one million with a \$2000 minimum annual fee. No performance fees are charged. Fees are charged quarterly in advance and are not pro-rated or refundable. In addition, the first year fee is considered a minimum fee. Although the client may terminate the management agreement at any time with thirty days notice, the remaining balance, if any, of the first year fee will be charged upon termination of service. This computation will be based on the initial account value.

Exceptions to these policies have been made in the past for unusual circumstances such as the death of the client, beginning management early in a quarter, or consolidation of accounts, and exceptions may be made in the future at the exclusive discretion of CSA.

Fees are based on the quoted price of securities on the statement from your custodian. In the case of bonds, and in infrequent cases in other securities, there may be no quoted price on any exchange. The custodian therefore estimates the price for these securities when preparing your statements. These prices can vary, and often do vary from the prices that would be received if the bond or other security were offered for sale. Sometimes, the price listed on the custodian statement is significantly different from the price that could be obtained through a sale. Even in these cases, the price is used for billing purposes. This is so that the greatest consistency of record keeping and ability to compare and review past records is maintained. It is also a clear, unambiguous policy, leaving no room for manipulation of data for reporting or billing purposes. This sometimes results in one

price of a security being reflected at one custodian, and a different price for the same security being reflected by a different custodian. Even in these cases, the price used by your custodian is the price we will use for your billing unless there is a clear and unmistakable pricing error. In this case, you would be notified of the issue.

Some clients have been given discounted rates for various reasons. In order to avoid conflicts of interest, or the appearance of conflict, no negotiated rates will be offered after January 1, 2011, other than: 1. for those already in place, 2. for family members, 3. for employees, supervised persons and solicitors, 4. in consideration of the total household of accounts, 5. for accounts negotiating a flat rather than a staged rate on accounts or households of accounts over \$500,000, and 6. for accounts as continuing referrals from the same source. Any change in this policy will be listed as a material change and sent to you.

#### **Item 5B Billing Method**

At the beginning of each quarter fees are billed based on the account value as of the last day of the previous quarter, including any amounts purchased on margin. The fee is for the funds included in the account on that day, and is for the current quarter or any part of the quarter.

Fees are deducted from the client account through an interface with the custodian. The custodian does not independently verify the fee amounts, so the client should check the amount for accuracy.

There is one client who pays the fees directly because the particular custodian does not offer this service. In the past, there have been two others who had a preference for paying directly. In the future, it is possible that another set of circumstances may arise in which this arrangement might be considered, although it is not anticipated. Any requests to pay directly will be considered on a case by case basis.

#### **Item 5C Additional Expenses**

All accounts are also charged fees by their custodian for services and execution of trades. These are detailed in ITEM 12 under Brokerage Practices.

It should be noted that clients holding mutual funds, ETF's, annuities or publicly traded partnerships may also be paying advisory fees to those institutions in addition to those being paid to CSA. If this is the case, those firms will send you a prospectus detailing this information. No separate accounting of any such separate advisory fees will ever be made or provided by CSA under any circumstances. The same could be true for other types of investments. It is possible that there are additional fees of some kind being paid to someone else as part of any investment. No part of any such fees, if they exist, is paid to CSA, or benefits CSA in any way. These fees, if they exist, are also non-negotiable, and so cannot be avoided if we wish to own the particular security.

Cash balances in client accounts are often held in money market mutual funds. We may also purchase closed end funds, which do not bear sales loads. Other than this, mutual funds and annuities have not been purchased by CSA for its clients. CSA does accept them as existing assets taken for management. It is therefore believed that these additional fees are known prior to the initiation of management of these assets. In the case of ETF's and publicly traded closed end funds and partnerships, the fees are included in the publicly traded price and can't in any way be negotiated or eliminated, other than to avoid their purchase.

If any client feels that these additional fees paid to another firm is an important issue for them, they may add a restriction to their account prohibiting the purchase of any such items as detailed by the client. Otherwise, they will be included as deemed by CSA to be appropriate.

#### **Item 5D Fees Paid in Advance**

As mentioned above, fees are not pro-rated or refundable. The fee for each quarter is charged at the beginning of each quarter as payment for those funds for that quarter or for any part of that quarter. Additional deposits made during the quarter may be subject to fees for the entire quarter, or those fees for a partial quarter may be waived or reduced at the exclusive discretion of CSA. We do not charge fees in advance of any quarterly billing period.

#### **Item 5E Other Compensation**

No compensation will be paid to anyone at CSA for the sale of securities or investment products for any assets under management other than those stated here.

There has been one instance (in 2006) in which a consultant and referral fee was paid to CSA. This was unsolicited, fully disclosed, was for a client, but involved assets separate from those under management. It is possible that this may occur again in the future, although this is not currently anticipated. With this exception, 100% of all fees and income come from investment management services. We have no financial incentive to prefer one security or type of security over another, and believe we have no conflict of interest with our clients regarding those investments selected for purchase or sale.

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

We charge no performance based fees, hourly fees, or any type of fees other than those included here.

## **Item 7**

## Types of Clients

CSA generally offers investment services to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations and business entities including partnerships. Services are not offered or provided to investment companies or banks, savings and loans, or thrift institutions. At this time, most accounts are those by or for individuals, trusts or retirement accounts for those individuals, or family partnerships.

CSA does not provide investment supervisory services or manage investment advisory accounts *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account, other than through the minimum fee arrangements stated above. The company uses the minimum fee arrangement as a means to discourage certain types of accounts. CSA is not interested in managing accounts for "hot money", defined as investors who are short term in nature, or those who are constantly seeking the highest performance of the moment. We are primarily interested in longer term results while minimizing fluctuation. Account stability while growing is more important to us than trying to be the top performer in any given time period.

However, if a client should withdraw funds below a level that CSA believes would be appropriate to continue managing, then the account management may be terminated by CSA.

## Item 8

### Methods of Analysis, Sources of Information, and Investment Strategies

#### Item 8A. Analysis and Selection

We believe that investors seek relative returns in rising markets (they want to outperform everyone else) and absolute returns in declining markets (they never want negative returns). We also believe that it is not possible to consistently achieve those results. Even though we believe this can't always be achieved, we do believe we should always strive for these results. For this reason we rely heavily on relative strength and trend analysis in formulating buy and sell decisions, and focus more on capital preservation than growth in declining markets.

CSA's security analysis makes use of both fundamental and technical analysis. Methods include charting, fundamentals, technical, and occasionally cyclical. Relative strength, supply and demand analysis, and trend identification are key components of the technical analysis and nearly always form the basis for a decision to sell.

The main sources of information CSA uses include paid research and subscription newsletters, financial newspapers and magazines, books, research materials prepared by others, and information from clients or others about new products or services of interest to them. Less frequently, use is made of annual reports, prospectuses, filings with the Securities and Exchange Commission, inspections of corporate activities, and company press releases. Little, if any, use is made of corporate rating services or timing services.

CSA will most frequently invest in: 1.) bonds, including United States government securities, corporate debt securities, commercial paper, money markets, municipal securities, certificates of deposit, and 2.) equities, including listed equities, exchange-listed securities, foreign issuers, securities traded over the counter, preferred stocks, closed end mutual funds, and exchange traded funds (ETF's).

Less frequently we may also include warrants or options contracts on securities, commodities or exchange traded funds; and publicly traded partnerships investing in real estate or oil and gas interests.

We accept for management but do not purchase investment grade variable life insurance, variable annuities, and open end mutual funds other than money market funds.

CSA will not accept or invest in futures contracts on tangibles or intangibles, nor in direct ownership of any tangible assets, including real estate and precious metals.

The investment strategies used to implement any investment objective for clients mostly include purchases held for any time period including as little as one day to as long as the account is open, but can include short sales, margin transactions and, less frequently, options strategies. Futures transactions are not included.

#### Risk of Loss

Part of the purpose of a managed account is to maintain a discipline intended to minimize both the size and frequency of loss. However, while risk can be managed, it cannot be eliminated. It would therefore be unrealistic to expect every month, every quarter, or every position to be profitable.

As with any investments in the stock and bond markets, funds are not guaranteed and there is always a risk of loss. Despite our best efforts, clients should expect to see the occasional quarter with an overall loss of value in the account, or less frequently, even see these losses over a year or more. Individual positions can be lost in their entirety. Clients should be financially and emotionally prepared to accept these losses when they occur and able to bear them without undo harm to their well-being. Client comfort levels and financial ability to endure loss should be clearly communicated to the manager at all times.

It has been our experience that investors as a group tend to buy in the euphoria that is closely associated with peaks in pricing and sell in despair at market bottoms. It is our belief that this, more than any other factor, is responsible for most investor losses in overall portfolio value. We believe that the greatest value we bring to you is the ability and discipline needed to avoid this behavior. However, that means that we will sometimes be buying when you most want us to sell, and selling when you believe we should be buying. It is absolutely essential that our clients understand that declines in the value of your account are normal, might last for months or longer, and are to be expected. It is simply not possible to sell at peak prices and avoid all declines, nor is it possible to know the exact timing and duration of those declines. It is possible to recover from them in time.

#### **Item 8B Risks Associated with Our Strategies**

The strategies used by CSA involve primarily buying, holding for some unspecified period of time, and then selling. With very few exceptions, all accounts opened at Morgan Stanley Smith Barney, the primary custodian, are on a discounted fee basis. This is intended to minimize the effect of any trading activity and reduce the cost of investing to a known amount regardless of trading activity. Our style of management tends to have clusters of activity, with lots of buying at certain times and lots of selling at others. The fee basis for both CSA and the custodian significantly reduces or eliminates the effect of this activity from the performance results. The cost is the same whether there is a great deal of activity or none at all. The risks are almost entirely limited to market and selection risk and to the risks stated above in "Risk of Loss". The exception might be income taxes. We do not manage for income tax efficiency, except in the most general manner. Our strategy assumes that if we feel it is time to sell the investment, that this is more important than the specific tax consequence involving that particular item. If a client has tax concerns that are an issue for them, it would be important to let us know so that those issues could be taken into consideration when making the decision to sell.

#### **Item 8C Risks Associated with Particular Securities**

The great majority of all securities we select for clients are those specified above. Most are individual stocks, bonds and ETF's. The risks involving these securities are detailed above, and include the risk that any individual position can be lost in its entirety. We have limited exposure to options, which are primarily used for defensive purposes. Although the entire investment in these securities can be lost, the purpose is to reduce the overall risk to the portfolio.

Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. Investing in Emerging Markets often accentuates these risks.

Investing in fixed income securities involves certain risks such as market risk if sold prior to maturity and credit risk especially if investing in high yield bonds, which have lower ratings and are subject to greater volatility. All fixed income investments may be worth less than original cost upon redemption or maturity. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline of the value of your investment.

Investing in precious metals allows for a source of diversification and possible hedges against inflation or declining dollar values. We only participate in this activity through ETF's, but the risks would remain for the underlying security, the most obvious of which is the fact that they have little tangible value other than those investors and buyers assign them.

Buying commodities allows for an additional source of diversification. Any purchase represents a transaction in a non-income-producing commodity and can be highly speculative. Again, we only participate in this activity through ETS's, stocks, closed end funds or partnerships, but the underlying risks remain the same.

## **Item 9 Disciplinary Information**

Neither the firm nor any of the employees of the firm have any legal or disciplinary events, criminal activities, administrative proceedings, civil actions, judgments, or any other form of behavior or violation to report, either within or outside of the required reporting time periods.

## **Item 10 Other Financial Industry Activities or Affiliations.**

CSA has no other activities or affiliations other than those listed here. Additionally, CSA has no arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity or pool operator, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or entity that creates or packages limited partnerships. Nor is CSA or a related person a general partner in any partnership in which clients are solicited to invest. CSA does have a brother-in-law who is an insurance agent specializing in special situations and to whom she has referred clients in the past, on one occasion receiving a fee for the consultation and referral, and might refer business in the future. In this case, the relationship has been and would continue to be fully disclosed. Additionally, CSA might recommend other professionals to clients upon request. In these cases, there is no reciprocal arrangement or fee sharing or any other material arrangement or affiliation. Should there be in the future, it will be disclosed to the client in advance.

## **Item 11**

### **Code of Ethics**

#### **ITEM 11A Summary**

The Company has a duty to exercise its authority and responsibility for the benefit of its clients, to place the interests of its clients first, and to refrain from having outside interests that conflict with the interests of its clients. The Company is committed to avoid any circumstances that might adversely affect, or appear to affect, its duty of complete loyalty to its clients. A full copy of the company code of ethics is provided to and is additionally available to all clients upon request.

#### **Item 11B Conflicts Regarding Securities Purchased**

Neither we nor a related person recommends to clients, or buys or sells for client accounts, securities in which we or a related person has a material financial interest that could be affected by the purchase or sale by a client. The closest we would come to this situation would be when we or our clients own an existing position in a publicly traded security, and the decision is made to increase the exposure to that position. In that event, it is possible that a client not holding a position from the time of the original purchase would be included in the subsequent purchase. This would not be done if there was any belief that the trade would be sufficient to have a material impact on the price of the security.

#### **Item 11C and D Conflicts Regarding Same Securities Purchased**

CSA does not participate in or have any interest in client transactions as broker, agent, principal, or owner. No securities owned by clients or the company are ever bought or sold to the other, nor are they ever bought or sold to the other while simultaneously taking the other side of the trade elsewhere.

The one exception to this policy would be in the event of cross trades in client and/or employee accounts for tax purposes. This would involve only publicly traded fixed income securities, exchanging similar securities in order to establish a taxable loss and/or a lower basis for the shares in each account. This exception is due to the lack of reliable availability of similar securities and pricing on an ongoing basis. The intention is to exchange two securities as similar as possible, so that each is able to establish a tax benefit and still realize approximately the same annual income and final payment amount.

Securities are bought and sold for clients as well as employees of CSA Wealth Management, and occasionally in the account of CSA Wealth Management. In most cases, all orders are entered as a block trade and all accounts receive the identical average price. However, in those cases in which the orders are not entered as block trades, daily purchases and sales for clients are entered before orders for the same securities are entered for anyone with CSA Wealth Management, LLC. In no case will orders be entered for clients that are on the opposite side of the trade for orders being entered for CSA or its employees, unless it is an unsolicited trade at the request of a client from whom the firm had no knowledge in advance of the request or trade. All proxies are voted by the client and not by CSA, and all class action activities are likewise handled exclusively by the client.

## **Item 12**

### **Brokerage Practices**

#### **Item 12 A Brokerage Selection and Soft Dollar Arrangements**

All accounts are in separate accounts with an unaffiliated custodian. Presently, CSA uses three custodians, but only places new accounts with two of them. A consideration for selecting a custodian firm is whether that firm has an interface with the software used by CSA. One of the three custodians does not and so no new accounts are placed there. Of greater importance than this, CSA seeks custodians with excellent client service, meaning that mistakes are minimal and corrected quickly, services are rarely interrupted, client inquiries and requests are handled courteously and quickly, and clients are made to feel that they and their account are important to the firm. Excellent trade execution and trading systems are required, although most of the larger and better known firms offer this.

Although each firm used has research available, CSA does not rely on either as a primary source of ideas. However, whatever is available and is utilized is used across all accounts and not just the accounts of that firm.

CSA has no soft dollar arrangements of any kind including research, reports or products, and so has no conflicts associated with this.

Scottrade charges \$7 per trade, which is quite inexpensive on a per trade basis, but has limited availability of bonds and certificates of deposit, more limited reporting to clients, and few of the features available at a full service brokerage firm. For example, statements report only trading activity and do not list portfolio holdings. The fees and terms are not negotiable. The accounts are all available online in real time, the quality of execution is excellent, and they are continually upgrading their services. It offers a very strong value for the price, but is most appropriate for clients who are very comfortable with the internet.

Morgan Stanley Smith Barney (MSSB) is the other custodian used, and has the full benefit package of a full service firm. The level of customer service provided by the broker of record is outstanding. Reduced fees have been negotiated by CSA for clients. It should be noted that equity accounts, at the request of CSA, are on a discounted fee basis rather than commission. This serves two purposes. First, because there is no difference in the cost, commission never enters into the decision of whether to buy or

sell. This allows the management decision to buy or sell to center exclusively upon what is in the best interests of the client. As a secondary benefit, it also eliminates any profit differential to the broker or to the firm and so removes a potential conflict of interest. As stated above, this also removes the impact of variable trading costs from performance reporting.

There is one client on a commission basis due to infrequency of trading. The fee scale charged to clients of CSA by MSSB is a negotiated reduced rate. When a client is referred to CSA by MSSB, it is possible that Morgan Stanley Smith Barney may charge a fee separate from this schedule. If so, it is left to them to disclose this information to the client, along with the possible effects this might have on their account. This is due to the fact that CSA cannot know what accounts and relationships might exist between the client and MSSB that might impact this decision, other than those that also exist with CSA.

CSA does not have any participation in any of the trading fees charged by the custodians, either directly or indirectly.

CSA, via contract with the client, has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of securities to be bought or sold, the broker or dealer to be used, and negotiate the commissions or fees to be paid to the broker or dealer. All clients at all times reserve the right to place restrictions or limitations on these discretionary activities, and are asked at least quarterly whether there have been any changes in their financial situation or desire to place or change any restrictions on their accounts.

While the contract gives CSA the right to choose the broker or dealer to be used, the client maintains at all times the right to select their own custodian, providing that arrangements for working with that custodian can be made. If not selected by the client, CSA will select the custodian. Other than through this process, CSA does not suggest brokers to clients. All trading activity is transacted through the custodian of the account. We reserve the right to trade away with another broker, but have never done so.

Clients are placed with the custodian they prefer, or if no preference is stated, with the custodian that CSA believes to be best suited to the needs of the client. With either custodian, the client is free to negotiate other fee arrangements if they choose.

Morgan Stanley Smith Barney has referred clients to CSA and Scottrade has not. To my knowledge, Scottrade does not refer business to any manager. This creates a potential conflict of interest in the selection of custodian for CSA, but CSA does not believe it has ever affected the selection process. The selection is usually based on the need for the services a full service firm provides as opposed to the desire for lower cost. The level of comfort the client has with the internet is a key factor in the selection process.

No benefits have been negotiated for the firm or the employees of the firm with either custodian other than those offered to any other customer as usual and customary for accounts of a certain size.

#### **Item 12B Aggregation of Orders**

All orders are normally entered with each custodian in one trade for all clients with that custodian. These trades are normally pre-allocated to individual client accounts, and all share the same price. Then orders are entered for the clients at another custodian in the same manner until all orders have been entered with each custodian. The exceptions would be when trades are being entered for only one client (such as for a new account or for unsolicited purchases or sales), when speed dictates that execution is needed prior to pre-allocation (such as for the sale of a position, but even in this case, all accounts involved share the same price), or other similar unusual circumstances.

## **Item 13 Review of Accounts**

All accounts are separate accounts with a custodian. Accounts are monitored by portfolio manager for performance toward achieving investment goals of growth while minimizing downside fluctuation, and for suitability. Both the custodian (Morgan Stanley Smith Barney but not Scottrade) and CSA routinely request updates from the clients about their investment objectives and financial condition. Each individual account is monitored at least quarterly for performance toward the goal and for the overall mix of assets. Accounts judged to be underperforming expectations are monitored more closely, often daily.

Reviews of all holdings across all accounts are generally daily, and weaker holdings are often monitored many times daily. Reviews of holdings are also triggered by sudden market moves. All such reviews are informal and throughout the day. These reviews are *not* formal studies, recorded, or documented.

Reports to clients are provided by the custodians on a monthly basis in most cases, but not less than quarterly. Reports include complete transaction history including all fees charged by the custodian and by CSA. MSSB also provides a list of account holdings and quarterly performance reviews. CSA does not duplicate these reports, but does receive electronic copies of them for review. In addition, all accounts are provided online access by the custodians so that they can see their account and its activity at any time. Trades are reflected in the accounts in real time.

## **Item 14**

### **Client Referrals and Other Compensation**

At this time, there are no written or oral agreements to compensate anyone directly or indirectly for referrals of clients, nor have any such payments ever been made.

## **Item 15**

### **Custody**

CSA maintains all accounts with an unaffiliated custodian as detailed above. We believe that the use of separate accounts with an unaffiliated custodian is in the client's best interests. CSA has the ability to buy and sell, deduct fees from the account, and we have the authority to authorize the transfer of funds or securities between two or more accounts for the same client at the same firm. Except for this, under no circumstances can CSA or the custodian authorize client funds or securities be delivered to anyone other than the client, and will not permit any such activity without the specific consent and authorization of the client.

The custodian provides the client online and/or written reports of all holdings, purchases, sales, income, withdrawals, splits, mergers, performance results and tax documents. All activity is reported by them to the client. CSA does not duplicate these reports. Since two of the three parties involved (client, custodian and CSA) can always see what the other two are doing, we feel strongly that this arrangement best protects a client from any misbehavior or carelessness on the part of either the manager or the custodian.

It is important to note that Cindi Showalter does have access to certain client funds as *owner* of the account, trustee, or as the POA as daughter, mother or wife of other particular account owners. In these instances, she is acting in those private capacities as account owner and not on behalf of CSA.

## **Item 16**

### **Investment Discretion**

CSA has discretionary authority to manage securities accounts on behalf of clients as detailed above. Discretion and trading activity will only begin after both parties sign the contract, this disclosure document has been delivered to the client, the assets are deposited with the custodian, and any initial account restrictions have been received from the client in writing.

## **Item 17 Voting**

### **Client Securities**

We do not vote any client proxies at any time under any circumstances. All proxies are voted by the client who owns the securities. Your custodian will deliver the appropriate papers to you for this process. In addition, the custodian will deliver to you all annual reports, quarterly reports, and other information sent from the company. You may contact us for information regarding any questions you may have.

## **Item 18**

### **Financial Information**

We do not require or solicit prepayment of any fees six months or more in advance, and so are not subject to the requirement to include a balance sheet.

## **Item 19**

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

#### **CRD #131381**

##### **Item 19 A Principal Executive Officer and Portfolio Manager**

Lucinda (Cindi) Showalter

BA University of Virginia 1976

22 years (1982-2004) as financial advisor and limited partner with JC Bradford & Co, which merged with both Paine Webber and then with UBS Financial Services in 2000, plus six years (2004-2010) with CSA Wealth Management, LLC as an investment manager, for a total of 28 years experience. Born 1954

Cindi Showalter, founder of CSA, has a BA from the University of Virginia (1976) and over 28 years of investing experience in the securities industry. She took continuing education courses through numerous institutions, and was one of a small number to complete the Senior Financial Consultant program at JC Bradford and Co. Throughout this process she continued to acquire additional training and licenses in securities, trading strategies, estate planning, retirement planning, insurance, and annuities.

Career: She began her career in financial investments in 1982 with JC Bradford and Co. She began as a broker, was soon promoted to investment vice president and then to limited partner. One of a small number to complete the Senior Financial Consultant program, she began to specialize in estate planning.

During her tenure there she had client assets of \$110,000,000. This was invested in a wide variety of instruments, including stocks, bonds, partnerships, mutual funds, options, certificates of deposit, annuities, and life insurance. In addition, funds were placed with various investment managers across the country. She also served as consultant to various endowments and trusts.

Although no specific education or years of experience requirement exist for other employees of the firm, it would be expected that anyone giving advice or granted management discretion would have, in her opinion and given her background, the necessary qualifications. It should also be noted that at this time there is no expectation that anyone other than Cindi Showalter will make any investment decisions in any account.

##### **Item 19B Other Business Activities**

There are no business activities for Cindi Showalter or for CSA Wealth Management, LLC, other than those listed here.

##### **Item 19C Compensation from Performance Fees**

We charge no performance fees, nor is anyone compensated by CSA on the basis of performance.

##### **Item 19D Arbitration Awards**

Neither CSA nor anyone at CSA has ever been the subject of or found liable in any arbitration claim of any kind in any amount at any time.

##### **Item 19E Relationship to Issuer of Securities**

Neither CSA nor anyone at CSA has any business or financial arrangement with any issuer of securities, other than with investment banking firms serving as custodian of client accounts as detailed above.

##### **Additional Disclosures**

From inception until now, the only employee of the firm has been Cindi Showalter. At this time, one independent Registered Investment Advisor is being registered with the firm. She will refer clients to CSA for portfolio management and will be the primary contact for the customers she represents. She will be paid up to maximum of 60% of the management fee for these services. This does not result in any additional fee to the client. It is also possible that she will be asked to be the client contact for some existing clients. Either way, no additional fees or costs will be incurred by the client.

## **Privacy Policy of CSA Wealth Management, LLC**

### **Short Version**

As general policy, the Company will not disclose personal or financial information about any client to non-affiliated third parties except as necessary to establish and manage the client's account(s) or as required by law. In these situations, personal financial information about a client may be provided to the broker/dealer or other custodian maintaining these accounts.

The client may also give permission to disclose certain information to non-affiliated third parties. Any written permission will be maintained in the client file. However, a client may verbally instruct authority for specific occasions such as sending necessary tax information to their tax preparer, or providing estate planning information to their attorney when writing or updating documents.

In addition, the Company will restrict access to clients' non-personal financial information to those employees who need to know such information in order to provide products or services to clients. The Company will maintain physical, electronic, and procedural safeguards that comply with federal standards to guard each client's personal financial information.

The full and complete privacy policy is available upon request, and is attached when your account is opened.