

## **Firm Brochure** **(Part 2A of Form ADV)**

**[www.smith-salley.com](http://www.smith-salley.com)**

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This brochure provides information about the qualifications and business practices of Smith, Salley & Associates, LLC. If you have any questions about the contents of this brochure, please contact us with the telephone number or e-mail address noted above. 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.

In cases where this brochure uses the terms “registered” or “registered investment advisor”, the term “registered” is not intended to imply a certain level of skill or training.

Additional information about Smith, Salley & Associates is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

March 2012

IARD # 129614 SEC File No. 801-62538

## Material Changes

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### Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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### Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 336-379-7556 or by email at: [Andrew@smith-salley.com](mailto:Andrew@smith-salley.com).

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# Smith, Salley & Associates, LLC

## Disclosure Brochure

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### About SSA

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#### Our Firm

Smith, Salley & Associates, LLC, (“SSA”) is a registered investment advisor that was founded in 2003 by Gregory Smith and Mackay Salley.

We offer advice and management that is easy to understand, tailored to your personal needs, and is based on our fundamental principle of putting the client *first*. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

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#### Our Principles

We believe:

- 1) Investment management solutions should be tailored to the client.
- 2) Investment management should be disciplined.
- 3) Advice should be easy to understand
- 4) The client always comes first.

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#### Our People

The personnel of SSA work as a team. The management and senior personnel of SSA consist of the following:

*George Mackay Salley, CFA* – Chairman and Chief Investment Officer

Mackay is co-founder of SSA. He received his Bachelor of Science in Business Administration from the Citadel and his MBA from the University of South Carolina. He is well qualified by virtue of his 38+ years experience in portfolio management and investment research with Franklin Street Partners, Wachovia Trust Services, Delaware Trust and the DuPont Pension Fund.

*G. Gregory Smith, Jr* – President, Chief Executive Officer

Gregory is the other co-founder of SSA. He earned a Bachelor of Science in Business Administration/Finance from North Carolina State University and his MBA from the University of North Carolina. He serves as an Advisory Board member for the Applied Investment Management Program at the University of North Carolina. Formerly, he was co-portfolio manager for the Franklin Street Small Cap Fund.

*Andrew D. Davis, CFA* – Chief Compliance Officer

Andrew joined SSA in 2006. Prior to that, he had extensive experience in portfolio management and investment research for Sun Trust Banks. He co-managed a taxable fixed income fund and a Value Equity Strategy. He graduated with an undergraduate degree in Economics from the University of North Carolina.

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#### Our Services

SSA provides the following services:

- Wealth Management services,
- Investment Management services, and

- Comprehensive financial planning and consulting services, which may include non-investment related matters.

Wealth Management is a comprehensive service that combines investment management with comprehensive financial planning.

Most clients choose to have SSA manage their assets on a *discretionary* basis in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. The client is provided with an Investment Policy Statement, which is an investment road map that outlines risk tolerances, needs and objectives. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. Clients may impose restrictions on investing in certain securities or types of securities.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client. You are not required to act upon any recommendations that result from the financial plan or consulting services. You are free to implement our recommendations with other providers or professionals.

We are not required to verify any information provided us by you or your professional service providers (attorney, accountant, etc.) and we are expressly authorized to rely on such information.

Since financial planning is a discovery process, situations occur where you are unaware of certain financial exposures or predicaments. In the event that your situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. You must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

It is your responsibility to promptly notify us if there is any change in your financial situation or investment objectives that may impact your financial plan or the consulting services we provided. If we provide additional consulting services or revise your financial plan, the fee will be between \$100 - \$300 per hour.

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### **Our Assets Under Management.**

As of December 31, 2011, SSA managed approximately \$ 185,000,000 in assets for approximately 300 accounts on a discretionary basis.

Assets are invested primarily in equity securities ("stocks"), fixed income securities ("bonds"), mutual funds, exchange-traded funds ("ETF's"), variable annuities, variable life insurance, and/or options. At times, independent managers may be used to manage parts of your portfolio. We exercise discretion to engage or disengage an independent manager.

## **Fees and Compensation**

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### **How We Are Paid**

SSA bases its fees on a percentage of assets under management, hourly charges, fixed fees,

performance-based fees and insurance commissions.

Investment management fees are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. The applicable fee percentage is applied against the average of your portfolio balances for the last trading day of each month of the prior quarter. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Financial plans are priced according to the degree of complexity associated with the client's situation. They are billed 50% in advance, with the balance due upon delivery of the financial plan.

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### **Our Fee Schedules**

*Wealth Management and Investment Management:* The annual Wealth Management and Investment Management fee is based on a percentage of the investable assets according to the following schedule:

<b>Portfolio Value</b>	<b>Annual Fee</b>
Under \$1,000,000	1.0%
\$1,000,001 - \$3,000,000	0.50 – 1.0%
\$3,000,001 - \$5,000,000	0.45 – 1.0%
\$5,000,000 +	negotiable

*Financial Planning:* The fee for a financial plan is predicated upon the facts known at the start of the engagement. It can be either an hourly fee or a fixed fee. If an hourly fee, the range is from \$100.00 to \$300.00 per hour; if a fixed fee, the range is from \$1,500 to \$10,000. In both cases, the fee is negotiable.

If you have signed a Wealth Management Agreement, the financial plan is included in the assets under management fee.

*Other Consulting:* SSA provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$100 - \$300.

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### **Other Fees You Should Understand**

Fund and insurance companies charge each fund shareholder or policy holder various fees that are disclosed in the fund prospectus or insurance policy. Brokerage firms and custodians may charge a transaction fee for the purchase of some mutual funds. Stocks, bonds, ETF's, and options may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for these trades. Fees charged by these institutions are separate and distinct from the fee charged by SSA under your Wealth Management Agreement.

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 1.0 means that the mutual fund company charges 1.0% for their services. These fees are in addition to the fees paid by you to SSA.

Persons related to SSA may also sell disability, life, and long-term care insurance and receive a commission on these product sales. These products may be recommended as part of your financial plan. This presents a conflict of interest since these persons may be incented to recommend insurance products based on the compensation received, rather than your needs. You will be informed of this conflict prior to the offer of an insurance product.

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### **Termination of Services**

Although the Wealth Management Agreement is an ongoing agreement and constant adjustments are required, the length of service is at your discretion. You or we may terminate the agreement by providing written notice to the other.



At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value on the day preceding the termination will be used to prorate the partial fee due in that quarter.

In addition, SSA reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in SSA's judgment, to providing proper financial advice.

## **Performance-Based Fees and Side-By-Side Management**

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### **Sharing of Capital Gains**

For clients that meet the qualifications outlined by the Securities & Exchange Commission and SSA, we will charge a quarterly fee based on the performance of your accounts. This fee is negotiated prior to signing the Wealth Management Agreement. You will be billed quarterly, in arrears, based on the net quarterly profit in your account(s). There is the potential for a conflict of interest because there may be an incentive for us to make investments that are riskier or more speculative than if you were not charged a performance fee. This conflict of interest is a key concern during the quarterly review of our account. Please see the section titled "Review of Accounts".

It is our firm policy that accounts with performance-based fees will be treated the same as accounts with no performance-based fees regarding the trade allocation process.

## **Our Clients**

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### **Types of Clients**

SSA generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations,

insurance companies and corporations or business entities.

Client relationships vary in scope and length of service.

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### **Minimum Account Size**

The minimum account size is \$1 million of assets under management. This minimum may be waived at our sole discretion based on anticipated future earnings capacity, anticipated future additional assets, account composition, and pre-existing relationships. The accounts of family members may be aggregated in order to meet the minimum account size.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

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### **Our Investment Strategies**

SSA manages portfolios using fundamental and technical analysis. During our interview process, we examine your risk tolerance, investment needs and objectives, time horizon, and income needs in order to create an Investment Policy Statement. This Statement forms the basis of the asset allocation determined to manage your account.

We use a bottom-up, fundamental approach to investing. That means we focus on individual companies, not just sectors. In order to ensure diversification, we determine sector weightings in your portfolio, but we use fundamental analysis to select companies within the sector. We sell a particular holding when our initial reason for buying it is no longer valid and there is no other fundamental reason to continue holding it. We adhere to our strict buy and sell disciplines in up and down markets.

Our strategy may result in client accounts being similarly managed.

The main sources of information we use include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

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**Risk of Loss**

All investment programs have certain risks that are borne by the investor, including the loss of principal invested. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate).

This primarily relates to fixed income securities.

- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

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**Disciplinary Information**

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**Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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**Other Financial Industry Activities and Affiliations**

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**Other Financial Industry Activities**

SSA is not registered as a securities broker-dealer, or a futures commission merchant,

commodity pool operator or commodity trading advisor.

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### **Our Affiliations**

SSA has arrangements that are material to its advisory or its clients with a related person who is an insurance agent. He may receive commissions from implementing financial plans in addition to the fee for developing the financial plan.

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

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### **Code of Ethics**

The employees of SSA have committed to a Code of Ethics governing their advisory activities. CFP® and CFA® designees also adhere to a Code of Ethic published by the CFP® Board of Standards and the CFA Institute, respectively. SSA will provide a copy of the Code of Ethics to any client or prospective client upon request.

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

Persons associated with SSA may buy or sell securities that are also held by or recommended to clients. Subject to approval, these persons may not trade their own securities ahead of client trades. All associated persons comply with the provisions of the SSA *Compliance Manual*.

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### **Personal Trading**

Each quarter, all employee trades are reviewed by SSA's Compliance Committee. The Committee's reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Employees' trades are not of sufficient size or volume to affect the securities markets.

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### **Prohibition on Use of Insider Information**

We have also adopted policies and procedures designed to detect and prevent the misuse of "insider" information (material, non-public information). A copy of these policies and procedures is available to any person upon request.

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## **Brokerage Practices**

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### **Use of Custodians**

SSA recommends Fidelity Investments and its affiliates ("Fidelity") as qualified custodians.

You may direct us to use another custodian for your accounts. In this case, our ability to negotiate commissions, obtain volume discounts or otherwise obtain best execution may not be as favorable as might otherwise be obtained. We may decline your request to use a specific custodian if, in our sole discretion, the arrangement with the custodian would result in operational difficulties.

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### **Best Execution**

The Compliance Committee of SSA reviews the execution of trades at each custodian each year. The review is documented in our *Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. SSA does not receive any portion of the trading fees.

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### **Soft Dollars**

SSA receives trading, research and computer services from Fidelity. Additionally, we may direct brokerage transactions to certain broker-dealers in return for research services or other services that will assist us in our portfolio management activities. Generally, all clients will benefit from these services.

SSA also executes brokerage transactions with Capital Institutional Services, Inc. ("CIS"). We have also entered into a soft dollar arrangement with CIS whereby we receive

access to William O'Neill Direct Access ("WONDA"). WONDA is an institutional investment data research tool that employs key proprietary ratings and research information covering over 8,000 equities and over 40,000 data items. The system combines company fundamentals, earnings estimates, industry group statistics, corporate data and technical research. WONDA is a valuable tool supporting our bottoms-up investing philosophy.

There may be instances where trading fees paid by a client to CIS are used to pay for research that is not used to manage that client's portfolio.

At least annually, our Compliance Committee reviews all soft-dollar arrangements in order to mitigate any conflicts of interest and fulfill its fiduciary obligations to all of its clients.

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### **Order Aggregation**

All accounts are managed separately. However, at its discretion, SSA may employ bunching or aggregation techniques in the management of accounts. In this case, clients will be allocated their portion of the aggregated order based on the *average price* of all orders placed for the security on the same trading day. In the event that an order is partially filled, shares of the filled order will generally be allocated to clients on a prorated basis. Employee trades may be included in a bunched trade with clients, but they will never be given preferential treatment as to size or price. Your account may be excluded from an allocation based on one or more of the following circumstances:

- The aggregated order was placed with a custodian other than your custodian,
- Only a small percentage of the order was executed and the portion of the executed order that would be allocated to you is inappropriate when compared to the trading fees that would be incurred,

- Your account has limitations in its investment guidelines that prohibit the purchase of the security,
- Your account has reached an investment guideline limit, or
- Other accounts have a greater need to increase their cash position.

## **Review of Accounts**

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### **Periodic Reviews**

Account reviews are performed at least quarterly by your portfolio manager. Additionally, the Compliance Committee reviews all accounts at least annually to ensure suitability, appropriateness and proper handling.

Account reviews are performed more frequently when market conditions dictate.

We will personally contact you at least annually to review your portfolio, its performance, management strategy and discuss any changes in finances or life situation that may impact your portfolio and its management.

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### **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation. You are encouraged to contact us to discuss any changes to your personal finances, life situation, tax status, or risk tolerance since these may have significant impact on the management of your portfolio.

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### **Regular Reports**

Account reviewers are members of the firm's Compliance Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of the portfolio will contribute to the investment objectives of the client.

You will receive account statements directly from your custodian monthly. We will also send you a quarterly report of your holdings and general market commentary.

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## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

SSA may use and compensate unaffiliated solicitors for referring clients. The fee paid to the solicitor is determined based on a percentage of the investment management fee charged to the client. The percentages range from 5% to 30% of the total management fee charges, and will not result in additional fees to the client. Our obligation to pay the solicitor is contingent upon these criteria:

1. We have received the investment management fee from the client, and
2. The solicitor is in compliance with applicable rule and regulations issued by any state or federal government agency, any self-regulatory organization, and the terms of the Investment Advisory Solicitors Agreement that we executed with the solicitor.

Even though your portfolio is managed on a discretionary basis, the solicitor is not included in the investment management process.

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### **Referrals Out**

SSA does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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## **Custody**

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### **Our Policy**

SSA does not act as a custodian of client assets. The client always maintains asset control. We place trades for clients under a

limited power of attorney. However, we are deemed to have constructive custody as a result of directly debiting your management fees from your managed account.

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to your address of record monthly.

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### **Performance Reports**

You are urged to compare the account statements received directly from your custodians to the portfolio statements provided by SSA.

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## **Voting Client Securities**

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### **Proxy Votes**

Unless you designate otherwise, the “Compliance Committee” of SSA votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. A copy of our proxy voting policy is available upon request.

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## **Financial Information**

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### **Financial Condition**

SSA does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because we do not serve as a custodian for client funds or securities, and do not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## Business Continuity Plan

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### General

SSA has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. This plan is managed by our Compliance Committee.

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### Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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### Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

## Information Security Program

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### Information Security

SSA maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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### Privacy Notice

SSA is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information

about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually.

## Brochure Supplement (Part 2B of Form ADV)

[www.smith-salley.com](http://www.smith-salley.com)

Andrew @ [smith-salley.com](mailto:andrew@smith-salley.com)

This brochure supplement provides information about the following persons and supplements the Smith, Salley & Associates brochure:

- George M. Salley
- Gregory Smith
- Andrew Davis
- James Agnew
- Edmund Batchelor, Jr
- Hugo Brian May

You should have received a copy of the Smith, Salley & Associates brochure. Please contact Andrew Davis if you did not receive SSA's brochure or if you have questions about the contents of this supplement.

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

March 2012

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## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

SSA requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and investment management. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.



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**George M. Salley, CFA**

Year of Birth: 1941

Educational Background:

- The Citadel – Bachelor of Science Business Administration (1963)
- University of South Carolina – MBA (1964)
- Chartered Financial Analyst (CFA) - 1977

Business Experience:

- Chairman, Chief Investment Officer – Smith, Salley & Associates, LLC – December 2003 to present.

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

The compliance-related activities of George M. Salley are supervised by Andrew Davis, Chief Compliance Officer. He reviews George M. Salley's compliance-related activities through frequent office interactions as well as remote interactions.

Andrew Davis' contact information:

(336) 379-7556

Andrew@smith-salley.com

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**Gregory Smith**

Year of Birth: 1973

Educational Background:

- North Carolina State University – Bachelor of Science Business Management (1997)
- University of North Carolina – MBA (2001)
- Series 65 License (2003)

Business Experience:

- President – Smith, Salley & Associates, LLC – December 2003 to present.

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

The compliance-related activities of Gregory Smith are supervised by Andrew Davis, Chief Compliance Officer. He reviews Gregory Smith's compliance-related activities through frequent office interactions as well as remote interactions.

Andrew Davis' contact information:

(336) 379-7556

[Andrew@smith-salley.com](mailto:Andrew@smith-salley.com)

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**Andrew Davis, CFA**

Year of Birth: 1976

Educational Background:

- University of North Carolina –Chapel Hill – Bachelor of Arts in Economics (1998)
- Chartered Financial Analyst (CFA) - 2003

Business Experience:

- Chief Compliance Officer/Portfolio Manager – Smith, Salley & Associates, LLC – March 2006 to present.
- Portfolio Manager – SunTrust – January 1997 to March 2006

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Andrew Davis is supervised by Gregory Smith, President. He reviews Andrew Davis's activities through frequent office interactions as well as remote interactions.

Gregory Smith's contact information:

(336) 379-7556

[Gregory@smith-salley.com](mailto:Gregory@smith-salley.com)

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**James Agnew**

Year of Birth: 1937

Educational Background:

- Georgia Tech – Master of Science Industrial Management (1962)
- Woodrow Wilson Law College (1962)
- Series 65 License (2009)

Business Experience:

- Portfolio Consultant– Smith, Salley & Associates, LLC – December 2005 to present.
- Trust Investment Officer – SunTrust – February 1969 to December 2005.

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

James Agnew is supervised by Andrew Davis, Chief Compliance Officer. He reviews James Agnew's activities through frequent office interactions as well as remote interactions.

Andrew Davis' contact information:

(336) 379-7556

[Andrew@smith-salley.com](mailto:Andrew@smith-salley.com)

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**Edmund "Scott" Batchelor, Jr., CFP**

Year of Birth: 1983

Educational Background:

- University of North Carolina – Chapel Hill – Bachelor of Science Business Administration (2005)
- Series 65 License (2006)
- Health, Disability, Long-term Care Insurance License (2009)

Business Experience:

- Financial Planner– Smith, Salley & Associates, LLC – 2009 to present.
- Analyst – Smith, Salley & Associates, LLC – 2006 to 2009.

Disciplinary Information: None

Other Business Activities: Mr. Batchelor is also a licensed insurance agent. He may be compensated for the financial plan as an advisor and compensated for sales of insurance products that are recommended in the financial plan.

Additional Compensation: None

Supervision:

Edmund Batchelor is supervised by Andrew Davis, Chief Compliance Officer. He reviews Edmund Batchelor's activities through frequent office interactions as well as remote interactions.

Andrew Davis' contact information:

(336) 379-7556

[Andrew@smith-salley.com](mailto:Andrew@smith-salley.com)

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**Hugo Brian May**

Year of Birth: 1965

Educational Background:

- Appalachian State University - Bachelor of Science Business Administration (1987)
- Asbury Seminary - Master of Science in Divinity (1993)
- Series 65 License (2000)

Business Experience:

- Portfolio Manager– Smith, Salley & Associates, LLC – 2009 to present.
- Senior Portfolio Manager – Jonathan Smith & Co. – 2001 to 2009.

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Hugo May is supervised by Andrew Davis, Chief Compliance Officer. He reviews Hugo May's activities through frequent office interactions as well as remote interactions.

Andrew Davis' contact information:

(336) 379-7556

[Andrew@smith-salley.com](mailto:Andrew@smith-salley.com)