

## Item 1 – Cover Page

CWM, LLC  
13321 California Street  
Omaha, NE 68154  
402-330-0808

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The purpose of this brochure is to disclose to you what we do and who we are here at Carson Wealth Management, LLC (herein CWM). Knowing these elements will allow you to use the services we offer far more effectively. If you have any questions about the contents of this brochure, please do not hesitate to contact us at the telephone number listed above.

CWM is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. Oral and written communications of an Adviser provide you with information about whether you decide to hire or retain an Adviser. The advisory services described in this brochure are not insured or otherwise protected by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency and involves risk, including the possible loss of principal.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), or by any state securities authority. Additional information about CWM is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view CWM's information on this website by searching for Carson Wealth Management Group. You may also search for information by using CWM's CRD number, 155344.

## **Item 2 – Material Changes**

In July, 2012, CWM entered into an agreement with Swan Wealth Advisors located in Durango, Colorado to provide sub-advisory management through their main strategy called the Defined Risk Strategy (DRS). Refer to Item 10.

In October, 2012, CWM became a distribution agent for the Morrocroft Neighborhood Stabilization Fund which is managed by Gorelick Brothers Capital located in Charlotte, North Carolina. See Items 10 & 11 for more information.

In January, 2013, CWM introduced Target Income Models to augment existing client core fixed income allocations. Refer to Item 10.

## Item 3 – Table of Contents

Item 1 – Cover Page .....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business .....	4
Item 5 – Fees and Compensation .....	7
Item 6 – Performance-Based Fees and Side-by-Side Management .....	12
Item 7 – Types of Clients.....	12
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	12
Item 9 – Disciplinary Information .....	19
Item 10 – Other Financial Industry Activities and Affiliations .....	19
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading .....	22
Item 12 – Brokerage Practices .....	24
Item 13 – Review of Accounts.....	25
Item 14 – Client Referrals and Other Compensation.....	26
Item 15 – Custody .....	27
Item 16 – Investment Discretion .....	28
Item 17 – Voting Client Securities.....	28
Item 18 – Financial Information.....	28
Responsibility to Protect Non-Public Personal Information .....	29
Privacy on the Internet .....	29
Sharing Information .....	29
Former Customers .....	30
Keeping You Informed .....	30

## Item 4 – Advisory Business

CWM, LLC (“CWM”) is a registered investment adviser based in Omaha, Nebraska. The firm was formed in November 2010 as a Limited Liability Company (LLC) under the laws of the State of Nebraska.

As used in the brochure, the words, “we,” “our,” and “us” refer to CWM, LLC and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our firm. In addition, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

### Principal Owners

MTAC, Inc. owns CWM, LLC. MTAC, Inc., dba Carson Wealth Management Group (“CWMG”), operates as a branch office of LPL Financial (“LPL”). The sole owner of MTAC, Inc. is Ronald L. Carson, Jr. CWM is not affiliated with LPL.

### Primary Advisory Services

#### *Asset Management Services*

Our main focus is to manage investment portfolios for individual clients, high net-worth families, foundations, endowments, and institutional investors. We also provide personal financial planning and investment advice. Our investment plans are designed to work with clients’ financial goals, objectives and risk tolerances.

Before we assess any fees or provide formal advice, we will provide you with an Investment Advisory Agreement (“Agreement”) for your review and approval. The Agreement will set forth the terms and conditions under which your assets will be managed. This authorization will allow our firm 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. The Agreement will remain in effect between you and us until terminated by either party in writing according to the terms contained in the Agreement. In the event a conflict exists between the Agreement and this Form ADV, the provisions in this Form ADV shall prevail.

The Agreement will include schedules of the investment accounts you wish us to manage, the specific fees we propose to charge and how we propose to bill and collect those fees. You also have the ability to impose limits on investment selections and sectors.

Advisory accounts will be held at the following qualified Custodians: Charles Schwab Institutional Services, TD Ameritrade Institutional Services, or LPL Financial Services (individually, a “Custodian”). The

client must designate CWM as its Investment Advisor on their accounts. The client's qualified Custodian will maintain actual custody of all client funds and securities.

Custodians are also broker/dealers, and they may have different account fees, execution charges and capacities. If you choose a different Custodian other than the one selected by us, you may pay higher account-related fees and execution charges. This may occur because custodial services are based on several factors. Factors may include, but are not limited to: cost, expected level of asset safety, client confidentiality, communication and reporting. We base all decisions on the individual investment circumstances of each client.

We may choose to use asset-based pricing if we find that it reduces our client's cost.

### Types of Investments

We offer advice on all types of securities, including:

- Exchange-listed securities
- Securities traded over-the-counter
- Exchange Traded Funds (ETFs)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable Annuities (but not the evaluation of any non-investment management aspects of annuities or other insurance products)
- Mutual fund shares
- United States government securities
- Options contracts on securities and commodities
- Futures contracts on tangibles and intangibles
- Interests in partnerships investing in real estate, and oil and gas interests
- Managed futures
- Shorting
- Private Equity

We avoid market timing, but may increase cash holdings when necessary. This is based on the client's risk tolerance and our expectations of market behavior.

Our Wealth Advisors must pass the necessary industry examinations and registrations. Unless they possess equivalent satisfactory portfolio management experience, Wealth Advisors must attain established firm or industry experience levels. For further information on our Wealth Advisors, please see their individual brochures, identified as Form ADV Part 2B.

### *Investment Management Strategies*

Our firm seeks to create a balance between reward and risk over a given time period. This typically involves using a mix of the securities highlighted above. We rely on quantitative, technical and fundamental analysis. We feel that combining the strengths of these strategies helps us to gauge the direction in which your investments might be headed.

Based on the information you provide us, we consider multiple time horizons, (long, medium, and short-term) when determining investment strategies. Depending on your needs, we may employ various risk management strategies. We believe our specific risk management tools distinguish us in the investment advisory marketplace.

### *Financial Planning Services*

We offer broad-based, modular, and consultative financial planning services. Based on an analysis of your individual needs, we can provide a variety of advisory services for the management of your financial resources. They may also include retirement planning, estate or business needs, education planning, life and disability insurance needs, long-term care needs, and cash flow/budget planning.

If you retain our firm for these services, we will meet with you to gather information about your financial circumstances and objectives. Once we specify your long-term objectives (both financial and non-financial), we will develop short-term, targeted objectives. Once we review and analyze the information you provide to us we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives. You are under no obligation to act on our financial planning recommendations.

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

When the scope of the comprehensive financial planning and/or consulting services has been agreed upon, a determination will be made as to the applicable fee. The final fee, subject to negotiation, is directly dependent upon the facts and circumstances of your financial situation and the complexity of the financial plan or service(s) requested. The first wealth plan fee is 20 basis points (.20%) of total assets. The minimum fee is \$3,500.00. Current clients and new clients who transfer assets to us for advisory services within 6 months of the wealth plan presentation receive a reduced fee of 10 basis points (.10%) of total assets.

Tax services are offered separately. We have Certified Public Accountants who provide their services through Carson Wealth Tax Planning. You may want to consider utilizing these services when determining the amount of taxes that you should withhold from any liquidation, sale, or stream of income. Investment portfolio taxation is a complex area with many tax rates and offsetting factors.

Some of those factors will change from year-to-year as tax laws and IRS interpretations of those laws change. In our opinion, the advice and assistance of a qualified tax professional increase as the size of your portfolio grows.

### *Consultation Services*

We may offer separate, modular consultation services and provide general investment advice or guidance to clients with no expectation for investment management. This consulting service may include:

1. A review of the client's current investment portfolio prepared by an entity outside of CWM;
2. A review of the client's comprehensive financial plan or any portion thereof, prepared by an entity outside of CWM;
3. The discussion of a generic investment portfolio or investments in general with the client, not involving any specific investment recommendations;
4. Review of a client's current retirement plan, estate plan, or college funding plan;
5. Review of financial documents at the request of other professionals, including but not limited to attorneys and accountants.

Consultation services do not include recommendations on, nor does it obligate the client to purchase, specifically named investment or insurance products. Clients are not obligated to use CWM to purchase specific securities or insurance. Clients will be charged an hourly fee not to exceed \$300. This fee is negotiable and will vary depending on the depth and complexity of the services provided. Recommendations developed by the IAR are based upon the professional judgment of the IAR and neither CWM nor its Representatives can guarantee the results of these recommendations.

After the consultation is complete, the obligation from CWM to the client will terminate and neither CWM nor its Representatives will be under any obligation to update or to monitor the Clients' investment and insurance portfolios in connection with the consultation services.

### *Client Assets Managed by CWM*

On March 27, 2013, CWM's total assets under management are \$1,583,681,931.00. Managed assets are \$1,517,245,395.00 in discretionary assets for 2,323 accounts and \$66,436,536.00 in non-discretionary assets for 1,314 accounts.

## **Item 5 – Fees and Compensation**

This section provides details about the fees and compensation arrangements of each of our services.

### *Asset Management Fees*

Our asset management fees are negotiable and will not exceed 3.0%. Our normal *maximum* management fee is listed below. Fees are based on the aggregate amount of all householded assets held under management. Fees are based on the client's financial situation, assets under management, and complexity of the services offered. The Investment Advisory Agreement describes our fees.

### *Fee Schedule*

The fee schedule identifies specific portions of the account value and charges at different fee rates. When calculating our fee, we compare the total account value to the fee schedule described below, or otherwise set forth in the Investment Advisory Agreement. Based on account size, we blend the different rates to decide the final quarterly account fee.

### Tiered Billing Fee Schedule

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$2,000,000	1.80%
\$2,000,000 - \$5,000,000	1.55%
\$5,000,000 - \$25,000,000	1.00%
\$25,000,000 - \$50,000,000	0.90%
\$50,000,000 Plus	0.80%

For example: For a typical account valued at \$5 million dollars, we bill the first \$2 million at 1.80% and bill the next \$3 million at 1.55%.

Please note that the fees listed above are the *maximum* normal fees for asset management. Our services might be higher or lower than fees charged by other financial professionals offering similar services.

We bill the annual fee quarterly in advance at the start of the calendar quarter. Fees are based on the value of the account on the last business day of the previous quarter. The fee will be pro-rated based on the number of days the account is open during the period as well as in arrears for net deposit changes. You may elect to have the quarterly fee charged to one account, or split between other accounts, or you may elect to pay us by check. We prefer to charge your accounts directly. The Custodian will send client statements at least quarterly, showing all payouts from the account including the advisory fee, if deducted from the account.

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 could include 12b-1 fees, surrender charges, variable annuity fees, and qualified retirement plan fees. Brokerage fees will be billed to you directly from the Custodian. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. For more information on our brokerage practices, please see Item 12.

An Investment Advisory Agreement must be completed for advisory services. The agreement may be cancelled at any time. We will provide a copy of this Form ADV, Part 2A to you before or with the execution of the Agreement. If you did not receive this disclosure at least forty-eight (48) hours before executing the Agreement, then you will have five business days subsequent to executing the Agreement to terminate the Agreement without penalty or fees. If services are cancelled after the first five days, then the final fee will be pro-rated. The amount is based on the number of days of service provided during the current quarter. Effective with the date of termination, we shall refrain, without liability or obligation, from taking any further action in your Account(s). In addition, from the date of termination, we will cease to be entitled to receive fees. If a contract is terminated after fees have been collected for a given period, a prorated refund of such fees will promptly be paid to you for that period. This cancellation will be subject to any changes related to the settlement of transactions in progress and the final payment of advisory fees.

#### *Third Party Charges*

Our fees do not cover custodial or execution charges from third parties. Some of these fees include odd-lot differentials and exchange fees. Other charges may include contingent deferred sales charges (CDSC fees). A third-party may also impose additional charges for special customized services elected by their clients. These services would include electronic fund wire transfer fees, certificate delivery fees, American Depositary Receipt fees, exchange fees, and transfer taxes mandated by law.

Trades in fixed income securities with broker/dealers may involve transaction charges. Other fees may include mark-ups, mark-downs, commissions, and dealer profits. Any dealer profit, commission, mark-up or mark-down on principal trades will be separate from our fee.

#### *Retirement Plan Providers*

Our fees do not cover costs of servicing a qualified retirement plan. Third parties charge these fees under separate agreements with the plan or plan sponsor.

#### *Mutual Fund & Exchange Traded Funds (ETFs) Fees*

Each fund describes the fees it charges in detail in its prospectus. However, since they are included in the expense ratio, the fund shareholders usually pay them. These fees are separate from our fees. If the fund has a sales charge, a client may pay an initial or deferred sales charge. We only recommend funds with no sales charges.

Mutual funds recommended by us may be available directly from the fund company. Please read the funds' prospectus. You may be able to purchase recommended funds elsewhere. If so, there could be additional costs. We may offer funds or share classes of funds that you may not be qualified to purchase outside of our firm. If you terminate your account with us, we may liquidate or exchange these investments for the share class corresponding to the size of your individual investment in the fund. Funds received from the redemption of fund shares outside of our management may have tax consequences or additional costs from sales charges and or redemption fees. Such redemption fees would be in addition to our fee.

Some or all of the services available through us may be available for a different cost from other companies. Factors that affect cost that you may incur include the type and size of the account, number of trades, and the range of advisory services provided to you. Accordingly, you should review all fees to understand the total amount.

#### *Managed Variable Annuity Program*

We also provide management services with respect to previously purchased variable annuity subaccounts. On a discretionary basis, you authorize us to reallocate subaccounts pursuant to your chosen investment objectives.

We will review suitability and an appropriate investment objective for the management of the assets. Please be aware that withdrawals may cause the subaccount value to fall below the required minimum and may impair the achievement of your stated investment objectives.

Please be aware that this is not a buy and hold strategy for the subaccount assets. Therefore, it may not be in your best interest to purchase ongoing management services, and you should consider maintaining solely a brokerage relationship.

The minimum account size is \$25,000.00.

#### *Conflicts of Interest*

The Advisory Fee paid by you represents compensation for the subaccount management services provided.

We may perform advisory services for other clients. We may give advice or take actions for those clients that differ from the advice given, or the timing or nature of any action taken for the client. In addition, we may, but are not obligated, to purchase or sell or recommend for purchase or sale, any security which we may purchase or sell for our own accounts or for the account of any other client.

Our firm and its Associated Persons may receive additional non-cash compensation from the variable annuity product sponsor. Such compensation may not be tied to the sale of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner, a ticket to a sporting event, reimbursement in connection with educational meetings, marketing or advertising initiatives. They may also pay for education or training events that may be attended by our Associated Persons.

### *Fees and Charges*

For services provided, you will pay an annualized investment advisory fee as stated in the Investment Advisory Agreement. The advisory fee is negotiable, may not exceed 3.0% annually, and is payable quarterly in arrears. The advisory fee will be calculated based on the contract value of the variable annuity on the last day of each calendar quarter, less any 12b-1 fees. All advisory fees will be deducted from your LPL or TD Ameritrade account number specified in the agreement, or we will bill you separately. For more information on fees and charges, please refer to the Investment Advisory Agreement.

### **Carson Institutional Advisory (CIA)**

CIA is a program designed to allow us to manage money for non-CWM advisors. The program allows advisors to partner and utilize investment strategies with fees ranging from 45 to 65 basis points (.45% to .65%) dependent upon Assets under Management ("AUM"). Please refer to Item 10 for additional information.

### Manager Select (MS)

Manager Select (MS) is a separate account platform available through LPL, and is designed for LPL advisory representatives. MS offers LPL clients access to the investment advisory services of professional portfolio management firms. A minimum account value of \$100,000 is required for the program. In some cases, the minimum account size may be set higher or lower.

LPL allows advisors to charge a maximum fee of 3.0% on MS accounts, although we charge 60 – 65 basis points (.60% - .65%). LPL will deduct the Manager Fee, Custody and Clearing fees, and administrative fees from the client fee. LPL pays the balance to the advisor per their payout agreement.

### Manager Access Network (MAN)

The MAN program is designed for non-LPL advisory representatives. It is operated on a dual contract basis, which means that you contract directly with us for portfolio management and with your non-LPL adviser who provides advisory services such as asset allocation, and account monitoring. LPL's services under MAN are solely for brokerage, custodial and related administrative services. The Registered

Investment Advisor (RIA) sets their annual advisory fees, and LPL charges a Program fee. These fees, along with Portfolio Manager Fees, are deducted from your account by LPL.

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

We do not charge or receive performance-based fees. Performance-based fees are fees based on a share of capital gains on or the capital appreciation of your assets. We do not conduct side-by-side management situations where a combination of asset based and performance fees are collected.

## **Item 7 – Types of Clients**

We offer investment advisory services to individuals, trusts, estates, 401(k) plans and Individual Retirement Accounts (IRA, SEP, ROTH IRA, etc.), high net-worth individuals, including individuals who are considered a “qualified client” under Rule 205-3 of the Investment Advisers Act of 1940, or is a “qualified purchaser”, pension and profit sharing plans (other than plan participants), charitable organizations, corporations and other business entities, including sole proprietorships. In addition, the Carson Institutional Advisory program manages client accounts for non-CWM advisors.

### *Minimum Investment Amounts Required – Investment Advisory Agreement Required*

For new clients, we recommend a minimum investment of \$1,000,000 for our asset management services. We occasionally allow exceptions to this requirement. All clients must complete and sign a formal written contract when signing up for Asset Management Services.

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

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

CWM’s Investment Committee uses industry-standard techniques. This includes technical analysis (sometimes referred to as “charting”), and fundamental analysis. The Investment Committee may also use the following types of tactics: Long-term buys, short-term buys, tactical asset allocation, shorting, and the use of options. Sources of data include Thomson Reuters, Telemet Orion, Dow Jones News, New York Stock Exchange (NYSE), NASDAQ, AMEX, and other publications.

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.

## *Overview of CWM's Investment Strategy*

CWM's Investment Committee actively manages the model strategies. Ronald L. Carson, Jr., is the Co-Investment Strategist. The Investment Committee meets weekly to evaluate market conditions, trends and individual securities. Based on technical analysis, macro-economic trends, industry analysis, and company performance, the Investment Committee will recommend investments in the models outlined below.

### Strategy Summaries:

Our firm uses four primary strategies. They are: The Advance & Protect Strategy, The Perennial Growth Strategy, The Diversified Strategy, and The Long-Term Trend Strategy. The Investment Committee uses a 4 Step Investment Process which is as follows:

1. Identify long-term investment themes and create portfolios based on asset and sector classes believed to be in a long-term uptrend
  - a. The Investment Committee develops investment themes based on long-term trends, and;
  - b. Develops ideas by integrating and synthesizing independent analysis with comprehensive market data:
    - i. Technical, fundamental and quantitative data and
    - ii. Data and insights from CWM's independent analysis
2. Develop independent investment ideas using optimal strategies to invest in themes
  - a. Search for optimal company, sector, Exchange Traded Funds (ETFs), or mutual funds to invest in theme with focus on following points:
    - i. Risk adjusted returns
    - ii. Expense ratio
    - iii. Liquidity
    - iv. Ability to hedge position
3. Utilize multiple analysis tools and techniques to optimize trading decisions
  - a. Independent research, fundamental, bottom up, and company specific research by Chartered Financial Analysts® to determine fair value
  - b. Quantitative Analysis tools to monitor technical signals
4. Monitor investment behavior trends to enhance the investment decision process through:
  - a. Legal insider activity
  - b. Consumer sentiment
  - c. Business sentiment

### The Advance & Protect Strategy:

The Advance & Protect Strategy is designed for clients with irreplaceable capital, as defined by the clients, who seek capital preservation over appreciation. The objective is to secure gains in advancing markets and to protect capital in sideways to negative markets. The tactical nature of the Advance & Protect Strategy allows the Investment Committee to include a wide range of styles and strategies with a focus on low-volatility and total return over market cycles – both short-term and long-term.

The Advance & Protect Strategy is a long-only portfolio managed to a 4 Step Investment Process. By focusing first on themes and then on the individual security, the Investment Committee first seeks to identify the causes that will lead to an increasing or decreasing investment tide. Once the Investment Committee identifies a trend, the focus then becomes the best way to invest in the theme. If individual securities are used, then our financial analysts shift from a top-down to a bottom-up approach in a selected industry or theme. Fundamentally, bottom-up research is the foundation of all individual security holdings. Our analysts analyze individual companies to understand their intrinsic or unrecognized value.

With fundamental intrinsic values, we introduce a technical overlay in our third step. Once a buy or sell price for a security is identified, technical analysis aids in deciding good entry and exit positions for each individual position.

We incorporate Step 4 in making the final buy decision. Publicly disclosed insider buying or selling and sentiment indicators provide the Investment Committee with a picture of how persons, who know the most about a company, invest in the company.

Finally, the Investment Committee keeps a watch list of companies that we may buy. We also use a defined sell discipline that utilizes technical analysis. The Investment Committee updates the list regularly and reviews changes that may affect the value of the company and stock prices.

The minimum investment necessary for the Advance & Protect Strategy is \$100,000.00.

### The Perennial Growth Strategy

The Perennial Growth Strategy is a concentrated stock portfolio, (which may consist of 10 – 20 securities) for clients with longer investment time periods that seek capital appreciation over preservation. The objective is to outperform the S&P 500 on the upside and limit downside moves. This particular strategy may use long-term or short-term strategies depending on your situation. Strategies used for non-qualified accounts only, may involve purchasing long stocks or shorting stocks.

For long-term strategies, the Perennial Growth Strategy mostly invests in stocks that are under-appreciated compared to their long-term potential (3 – 5 years) and is subject to positive near-term

catalysts. This strategy looks to invest in companies that will benefit from unique secular trends that can drive growth even during times of weak economic conditions. It also seeks companies that have strong balance sheets and high returns on capital. These companies may have advantages allowing them to gain market share and sustain returns.

The short-term strategy focuses on broadening investment opportunities and those that may be more favorable in poor investment climates. It also seeks to benefit from companies exposed to negative near-term market and industry factors.

The minimum investment necessary for the Perennial Growth Strategy is \$10,000.00.

#### The Diversified Strategy

The Diversified Strategy is comprised of actively managed, no-transaction fee mutual funds. Its objective is to achieve long-term, risk-adjusted growth of principal with an added focus on current income through full market cycles. Technical analysis is used to determine the buys and sells in this strategy.

Selected funds represent specific market sectors, asset classes or themes. Each mutual fund will represent between 5 – 15% of the total amount invested. The Investment Committee performs quarterly screens on all funds and monitors the funds on a weekly basis. Some holdings in the Diversified Strategy may also be found in other strategies managed by us.

The minimum investment necessary for the Diversified Strategy is \$10,000.00.

#### The Long-Term Trend Strategy

The Long-Term Trend strategy consists of a concentrated portfolio of equities that are selected based upon attractive fundamentals and is positioned to benefit from long-term secular trends identified by the Investment Committee.

Positions are taken with the idea that they can be held over prolonged time frames (a minimum of 3 – 5 years). Turnover and taxes should be kept to a minimum; the positions will be sold if they become significantly over-valued or if the fundamental picture has considerably changed.

This strategy follows a three-step investment process: (1) identify long-term secular themes (see above as in the A&P Strategy), (2) fundamental research on stocks (and possibly ETFs) that are best positioned to benefit from such trends, and (3) continually monitor price and fundamental developments.

You need to be aware that this strategy is not the Advance & Protect Strategy. It does not use hedges, so downside risk is theoretically unlimited. It does not follow the 4-Step Investment Process and

technical indicators will not be used. It does not attempt to “time” the market and will not be as liquid (smaller market capitalizations could result in thinner trading volumes).

This strategy is not designed for your “irreplaceable capital.” It is not an Index Fund and does not invest in bonds. It may not have exposure to key sectors of the S&P 500. While the goal is to outperform the S&P 500 over a long time frame, performance may lag at times.

The minimum investment necessary for the Long-Term Strategy is \$10,000.00.

### *Additional Strategies*

#### The ETF Growth Strategy

The ETF Growth Strategy is a portfolio of Exchange-Traded Funds (ETFs) designed for a client with an investment objective of Growth. The portfolio can consist of ETFs in the domestic or international equities, currency, or commodity asset classes. The objective is to secure gains in advancing markets and to protect capital in sideways to negative markets. Additional objectives are to outperform the S&P 500 on the upside and to limit downside moves. This strategy has the ability to utilize heavy cash positions and inverse funds in negative markets.

The ETF Growth Strategy is tactical in nature; it attempts to invest in those asset classes and sectors that have outperformed the broad market and are currently in favor. The Investment Committee will only invest in those asset classes and sectors that have relative strength and have been identified as trading in a positive trend. The Investment Committee uses Dorsey Wright and Associates’ software and point-and-figure charting to help screen for these technical attributes.

The minimum investment necessary for the ETF Growth Strategy is \$10,000.00.

#### The Tactical Income Strategy

The Tactical Income Strategy is a portfolio of mutual funds or ETFs (6 – 7 positions) designed for a client with an investment objective of Income with Capital Preservation. The portfolio is designed to generate income for the client while focusing on low volatility and total return over market cycles. The objective is to secure gains in advancing markets and to protect capital in sideways to negative markets.

The portfolio is tactical in nature and will attempt to invest in those asset classes and sectors that have outperformed the broad market and are currently in favor. Each mutual fund or ETF will represent between 10 – 15% of the total amount invested. The Investment Committee has the ability to invest across multiple asset classes in the attempt to capture yield and total return. This strategy also has the ability to utilize heavy cash positions or market neutral funds to limit market risk.



The minimum investment necessary for the Tactical Income Strategy is \$50,000.00.

#### The Swan Defined Risk Strategy (DRS)

The Swan Defined Risk Strategy is an index-based strategy sub-advised by Swan Wealth Advisors. The DRS strategy is an absolute return, market-neutral strategy that does not rely on market timing or stock selection. The DRS strategy invests in the S&P 500 Index or SPDR Selects Exchange Traded Funds (ETFs), and options trading. 85 – 90% of invested assets are placed in equities that include 9 equal-weighted S&P 500 Sector ETFs. The remaining 10-15% of invested assets are placed in long put options which are bought at or near the money and sized to give the client a defined risk of 7-10% maximum loss. If the market drops in value, the put option increases in value. Options on these indexes are additional primary components of the strategy and are used to protect the main holdings from down markets and to generate monthly income for the portfolios. Multiple adjustments and liquidation points are incorporated to minimize risk and maximize the frequency and size of the monthly returns.

If you choose the DRS management strategy, please be advised that Swan will charge you a separate annual management fee for assets under management for the management and implementation of the strategy. See Item 5 above. Accounts opened for this strategy will be custodied at TD Ameritrade. This fee is in addition to the advisory fee paid to CWM, LLC.

The minimum investment for the Swan DRS strategy is \$100,000.00.

#### Target Income Models – Index (iShares)

The Target Income Models comprise three diversified global fixed income model portfolios: Conservative Income, Moderate Income, and High Income. These models are designed to function as efficient and scalable additions to your existing core fixed income allocations and are intended as a tool to help us meet your specific income objectives while managing your overall risk.

These models are intended to be an alternative to traditional fixed income portfolios. Each model is rebalanced quarterly to maintain allocations based on its model's strategy. An evaluation of the current yields, return volatility, correlation (to markets and each other) and risk characteristics as well as the current market environment are reviewed prior to rebalancing. These models seek to meet their objectives with the least amount of risk by diversifying across a wide variety of factors that can impact fixed income investment, such as interest rates, credit and foreign exchange. Risk characteristics considered include interest rate sensitivities, credit spread sensitivities, foreign asset exposure levels, trading liquidity, asset class characteristics, and individual position sizes.

The allocation of each Target Income Model is derived from a process that uses quantitative models that have been developed based on a number of factors. The Target Income Models do not offer any assurance that the recommended asset allocation will either maximize returns or minimize risk. It also

may not be the appropriate allocation in all circumstances for every investor with a particular time horizon or risk tolerance.

The number of funds included in each of the models is limited in an effort to create efficient and scalable solutions for clients, with the understanding that potential risk/yield tradeoffs would result from these limited holdings.

Based on client need, CWM may develop other model portfolios throughout the year.

### *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. You also must understand that past performance is not indicative of future results. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk.

For example, investors may 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, option, 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 there is a high interest in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** The possibility that shareholders will lose money when they invest in a company that has debt if the company's cash flow proves inadequate to meet its financial obligations. When a company uses debt financing, its creditors will be repaid before its shareholders if the company becomes insolvent. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money.
- **Foreign Investment Risk:** Foreign investments are subject to risks not ordinarily associated with domestic investments, such as currency, economic, and political risks, and may follow different accounting standards than domestic investments. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems that can be expected to have less stability than those of more developed countries. Securities may be less liquid and more volatile than U.S. and longer-established non-U.S. markets.

Certain securities that we recommend contain significant or unusual risks, such as options and private placements, including an investment in the Morrocroft Neighborhood Stabilization Fund L.P., which is further described in our response to Item 10 and 11 of this Disclosure Brochure.

It is extremely important that you understand and seriously consider the degree of market valuation loss you will be able to tolerate in the shorter term.

## **Item 9 – Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of CWM's business or the integrity of CWM's management.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### *Affiliation with MTAC and Carson Wealth Management Group*

MTAC, Inc. owns CWM, LLC. MTAC, Inc., dba Carson Wealth Management Group (CWMG), operates as a branch office of LPL Financial (herein LPL). The sole owner of MTAC, Inc. is Ronald L. Carson, Jr. CWM is not affiliated with LPL Financial.

Bradley Grubb is the President of CWM and CWMG.

Some employees of CWMG, including Ronald L. Carson, Jr., and Bradley Grubb and all Investment Advisor Representatives ("IAR"), are registered securities representatives of LPL Financial.

### *Cornerstone Wealth Management Group ("CSTN")*

CSTN has been in business since 2001 and is solely owned by Scott D. Ford. They are located in Hagerstown, Maryland. They operate as a branch office of LPL Financial, a broker/dealer offering brokerage-clearing and other financial services to individuals and corporate clients. We have entered into an agreement with CSTN. We will offer advisory services through CSTN representatives who are registered investment advisors, and will operate under the supervision of CWM. CWM and CSTN are separate legal entities; none of which is responsible for the obligations of the other. CSTN is a branch office of LPL Financial.

### *Co-Management Activities – Cash Solicitor Program*

Through our Co-Managed account programs, we offer to LPL Financial IARs the ability to access The Advance & Protect strategy, and other strategies, for their clients' accounts. CWM charges a set fee, which it deducts from the advisor's overall fee to the client.

### *Carson Institutional Advisory (CIA)*

CIA is a program designed to allow CWM to manage money for non-CWM advisors. The program allows advisors to partner and utilize investment strategies with fees ranging from 45 to 65 basis points (.45% to .65%) dependent upon Assets under Management ("AUM").

CIA offers a fee reduction for both Alliance Advisory Council Members and Alliance Partners with \$100M or more under management using CIA strategies. This reduction is only available to Advisors who fulfill one of the following two requirements: (1) Alliance Advisory Council Members and Alliance Partners only, and (2) \$100 million AUM being managed by CIA strategies.

When the Advisor fulfills at least one of these requirements, all of the Advisor's clients will receive a reduced rate of 45 basis points (0.45%), so long as the aggregate of all the AUM of all Advisors' clients continues to exceed \$100M AUM. If AUM of Advisor's clients decrease below \$100M AUM, the fee reverts to the originally stated Alliance Partner pricing without reduction for cumulative AUM.

### *Manager Select (MS) and Manager Access Network (MAN)*

Manager Select (MS) is a separate account platform available through LPL, and is designed for LPL advisory representatives. MS offers LPL clients access to the investment advisory services of professional portfolio management firms such as CWM. A minimum account value of \$100,000 is required for the programs. In certain instances, the minimum account size may be set higher or lower.

Clients receive initial and ongoing assistance from their LPL IARs with regard to the MS Portfolio Manager Selection process or from the Registered Investment Advisor with respect to the Managed Access Network Portfolio Manager selection process.

LPL allows advisors to charge a maximum fee of 3.0% on MS accounts. The manager's fee is described in Item 5. LPL will deduct the Manager Fee, custody & clearing fees, and administrative fees from the client fee. The remainder goes to the advisor per their payout agreement with LPL.

The MAN program is designed for non-LPL advisory representatives. It is operated on a dual contract basis, which means that you contract directly with us for portfolio management and with your non-LPL adviser who provides advisory services such as asset allocation, and account monitoring. LPL's services under MAN are solely for brokerage, custodial and related administrative services. The Registered Investment Advisor (RIA) sets their annual advisory fees, and LPL charges a Program fee. These fees, along with Portfolio Manager Fees, are deducted from your account by LPL.

### *Other Programs*

We have an Investment Manager Service Agreement with Envestnet Asset Management, Inc. (Envestnet), and our qualified custodians, TD Ameritrade and Charles Schwab Institutional Services (Schwab). This agreement allows Envestnet to perform certain trading, operational and other administrative duties with these custodians on our behalf.

### *Morrocroft Neighborhood Stabilization Fund*

CWM's Associated Person, Ron Carson, is a limited partner in the Morrocroft Neighborhood Stabilization Fund L.P., a limited partnership formed under the laws of the state of Delaware (the "Fund"). The Fund is a pooled investment vehicle that is being offered to qualified purchasers pursuant to Regulation D under the Securities Act of 1933, as amended. The Fund also relies on an exemption from registration under the Investment Company Act of 1940. Given the client's investment objectives, financial situation and the minimum qualifications required by the Fund, we may recommend an investment in the Fund. Investment in the Fund involves a heightened degree of risk. The relevant information, terms and conditions of an investment in the Fund, including the management fee to be paid to the manager, suitability considerations, the Fund's investment strategy and risk factors, are set forth in the Fund's documents. Those documents include the Private Offering memorandum, Partnership Agreement, Subscription Agreement, and Letter of Direction, which each subscriber is required to receive and/or execute prior to being accepted as a limited partner of the Fund.

A recommendation of the Fund to a client represents a conflict of interest in the sense that Ron Carson may benefit financially from having clients also investing capital into the Fund. We address this conflict by stating that no client is under obligation to invest and, that any recommendation to invest is reviewed by the Chief Compliance Officer. Such recommendations may only be made to qualified purchasers to whom they are suitable.

## **Affiliation with Peak Advisor Alliance**

We are also under common ownership with Peak Advisor Alliance (Peak). Peak provides coaching, consulting, training, and software services to financial advisors. Peak's services focus on client and new business growth solutions. Peak is not an investment advisor, broker/dealer or other type of financial services company. Peak only offers services to individuals that work within the financial services industry.

Peak Advisor Alliance has an insurance agency through which CWM advisors offer life insurance, LTC and other insurance products.

We have an arrangement with Peak whereby we serve as sponsor of Peak events (i.e., workshops, seminars, etc.). Peak receives a fixed fee from us for its sponsorship. We may offer the opportunity to market our services and investments at Peak events. These services would be directed toward those advisors with whom we may have a referral or marketing agreement. Further, we will refer the platforms, investment strategies and products provided by such investment advisors to financial professionals who use Peak services.

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

### *Code of Ethics Summary*

Our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. 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 of our Associated Persons are expected to adhere strictly to these guidelines.

Our Code of Ethics also requires that our Associated Persons submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. 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.

### *Affiliate and Employee Personal Securities Transactions Disclosure*

Our firm or persons associated with our firm may buy or sell securities or hold a position identical to clients. It is our policy that no Associated Person will put his/her interests before a client's interest. Associated Persons may not trade ahead of any client and cannot trade for a better price than the price a client would obtain. It is the Associated Person's responsibility to know which securities we are trading. Associated Persons can consult with the firm's Chief Compliance Officer (CCO) to decide whether a security is an acceptable purchase or sale. We prohibit all Associated Persons from trading on non-public information and from sharing such information. Associated persons may not invest in an initial public offering (IPO) for their own accounts or those of related household members. Associated Persons are required to obtain approval from the CCO prior to investing in a private placement or other limited offerings. We do not allow "short-swing" trading or market timing. Short-Swing trading, better known as the Short-Swing Profit rule, requires company insiders to return any profits made from the purchase and sale of company stock if both transactions occur within a six-month period. A company insider, as determined by the rule, is any officer, director or holder of more than 10% of the company's shares.

As referenced in our response to Item 10, Ron Carson is a limited partner in the Morrocroft Neighborhood Stabilization Fund, and the firm may recommend interests of the Fund to clients. Mr. Carson has a financial interest in the Fund, and any recommendation by the firm for a client to invest in the fund represents a conflict of interest in the sense that Mr. Carson may benefit financially from a client investing in the Fund. Nonetheless, the firm believes that it has addressed this conflict of interest through Compliance review for client suitability.

### *Reporting Requirements*

Every Associated Person who has access to client accounts must submit a report of all personal securities holdings at the time of affiliation with us and annually thereafter. Such reports must contain current information (not older than 45 days). Holding reports must contain the following information:

- The title and type of security;
- The security symbol or CUSIP number;
- The number of shares and the principal amount of each reportable security.
- The name of any broker, dealer, or bank with which the Associated Person maintains an account;
- The date the report was submitted.

A qualified representative will review a copy of all confirms and statements for Associated Persons' accounts.

## Item 12 – Brokerage Practices

### *Asset Management Services*

We will recommend a custodian for clients who use our Asset Management Services. At least annually, we will review alternative custodians in the marketplace for comparison to the currently used broker/dealer qualified custodian. We evaluate such criteria as expertise, cost competitiveness, and financial condition. We will review quality of execution for custodians through trade journal evaluations and broker/dealer reports.

We also receive benefits that we would only get by using services of such broker/dealers to implement the investment advice provided, which may create a conflict of interest. These benefits include, but are not limited to, the receipt of duplicate client's confirmations and bundled duplicate statements. Additionally, benefits may include access to a trading desk or the ability to have investment advisory fees deducted directly from client accounts. Other benefits may include access to an electronic communications network for client order entry and account information. We may also receive compliance publications and access to mutual funds with higher minimum initial investment requirements. No single criteria will validate nor invalidate a custodian or service provider. Instead, we will review all criteria in evaluating the currently used custodian.

You are free to select any broker/dealer, mutual fund company, or variable annuity sponsor to serve as your qualified custodian. This selection is under the condition that we provide approval. If you direct the use of a particular broker/dealer or other qualified custodian, we may not be able to obtain the best prices and execution for the transactions. Further, we may place directed trades after effecting non-directed trades.

We do not have soft-dollar agreements with any broker/dealers and have not received any such benefits.

### *Investment Allocation and Trade Aggregation Policy*

Our allocation and aggregation process requires fair and equitable treatment of all client orders. When mutual funds are traded, there is no value to aggregation as each trade receives the same price. To the extent other securities are purchased or sold that lend themselves to aggregation or block trading (for example, stocks or exchange traded funds), we may aggregate client transactions or allocate orders whenever possible. The aggregation of orders provides the effects of lower transaction per share costs. To the extent that we aggregate client orders for the purchase or sale of securities, including securities in which our principals and/or Associated Persons may invest, we shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Incorporated*. We shall not receive any additional compensation or remuneration as a result of the aggregation.



We use model strategies in the management of our separate accounts. Our trading department prioritizes the release of trading orders with respect to its advised separate accounts as follows:

- Discretionary accounts with no restrictions that require manual trade adjustments such as deviations from the model for cash requirements or that hold non-model securities, etc.;
- Accounts with restrictions that require manual intervention to process trades;
- Non-discretionary accounts that require pre-approval of trades.

Due to the sequence of placing trades for accounts, it is possible that accounts traded first will receive more favorable pricing than those traded last.

We provide investment management services to our clients. We provide non-discretionary investment research and market analysis to third-party investment professionals such as advisors and brokers.

#### *Cross Transactions*

A cross trade is a transaction between two accounts managed by the same investment adviser. It is our policy to engage in cross transactions only when necessary. Cross transactions will thus only occur when it is in the client's best interest. All cross trades must receive the prior written approval of the firm's CCO and may not be applicable to all clients' accounts.

#### *Client Participation in Transactions*

In general, we make investment decisions for each account independently from those of other accounts. We make these decisions with specific reference to the circumstances and objectives of each account. Accounts may receive allocations of securities or investments different from other accounts. Through the allocation process, we base these allocations on a number of factors including, but not limited to, the trade rotation policy, previous transactions, account restrictions, account size, tax status, risk tolerance, cash and liquidity. We will seek to be consistent in our investment approach for all accounts with the same or similar investment objectives, strategies and restrictions. However, the act of purchasing, selling or holding a security for one account does not mean that we will do the same for other accounts. We will place transactions for some accounts in securities already owned by other accounts. We also may purchase (or sell) a security on behalf of some accounts that it has sold (or purchased) on behalf of other accounts.

## **Item 13 – Review of Accounts**

We provide account reviews in connection with Asset Management Services. Our advisors will meet with you either by phone or in person at least annually to review your account(s) and to determine if there have been changes in your financial situation or investment objectives. A summary and consolidated report will be prepared in connection with the review. Reviews that are more frequent

may be conducted on an as needed or predetermined basis. Triggering facts for additional reviews may include a client's request, significant changes in market conditions, or at our discretion.

#### *Statements and Reports*

Asset Management clients will receive account statements at least quarterly from the qualified custodian. You may additionally receive on-demand positions and performance reports in writing from us for no additional fee. We encourage you to compare reports provided by us against the account statements you receive from your qualified custodian, which serves as your official record of your account(s).

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

Third-party investment advisors may compensate us for referral activities. These fees may come in the form of marketing or referral fees paid directly to us by the investment advisor. The exact compensation arrangement will vary depending on the arrangement with the investment advisor firm. These marketing or referral fees are based on a portion of the management fees charged by the third-party investment advisor to clients of financial professionals originally introduced to the third-party investment advisor by us. In all cases, the Investment Advisory Agreement will adhere to the Cash Solicitation Rules established by the SEC and its client disclosure requirements.

The portion of the management fee paid to us may reach as high as 50% of the overall fee received by the third-party investment advisor. Fees paid to us may be in the form of a sliding fee schedule that increases as the amount of assets originally referred by us to the investment advisor (through third-party financial professionals) increases. For example, we could receive a higher percentage of the overall fee from the third-party investment advisor as assets to the third-party investment advisor increases.

#### *Additional Compensation*

Associated persons, if properly registered and licensed to do so, may also receive compensation on non-advisory business (i.e., commissions) related to the sale of securities or other investment products. Transaction-based compensation such as this is separate and distinct from the other fees we may receive in connection with our investment advisory services.

Commissions from the sale of other non-advisory investment products include, but are not limited to, variable annuities, mutual funds, private placements and such non-investment related products as life insurance. Such commissions provide an advisor with an incentive to recommend these investment products based on the compensation they will receive from selling such products. This may be a conflict of interest; however we do not allow advisors to earn commissions on products that are included within

our advisory accounts. The CCO reviews all trade records on a daily basis to insure that our agents do not sell commissioned products within asset management accounts. This insures that within advisory (asset management accounts) only advisory fees, plus any transactional charges referred to in Item 5, are charged.

#### *LPL Financial*

From time-to-time, CWM, CIA, or their affiliates receive compensation and transitional assistance from custodians for utilization of their services and products. For example, compensation and transitional assistance was received from LPL Financial based upon the assets custodied at their firm. You may consider this a conflict of interest as we may have an incentive to direct client accounts to LPL in consideration of the actual or anticipated incentives or consideration we will receive. We are sensitive to this potential conflict and take steps to ensure that it does not weigh on our decisions for our clients. We review best execution, pricing, research, financial strength, and other benefits to ensure that the clients' interest comes first. As such, we believe that we have successfully managed this conflict for the best interest of the client.

#### *Conflicts of Interest*

The potential for additional compensation may give our Associated Persons an incentive to recommend investment products based on the additional compensation received. Our objective as a firm is to place nothing before our clients' best interests.

First, we address the conflicts inherent in *Additional Compensation* as noted above, by disclosing them to you in this Brochure and by providing an explanation in your representative's Brochure Supplement (Form ADV Part 2B). Additionally, we have instituted a supervisory process detailed in our Written Supervisory Procedures (WSPs) addressing such things as conflicts of interest and additional compensation. We have also designated a CCO, as set forth in this Brochure, to be responsible for our oversight of our supervisory process and our WSPs.

Clients always have the option to purchase investment products that we recommend through other unaffiliated brokers or agents.

## **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. We do not have physical custody of any of your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent qualified custodian. You will receive account statements from the independent, 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.

## **Item 16 – Investment Discretion**

The Investment Advisory Agreement grants us the authority to decide what securities are bought or sold in your account(s) and the authority to implement those decisions without being required to obtain your approval.

You have the right to place reasonable restrictions on your accounts. You may also place reasonable restrictions on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the Investment Advisory Agreement.

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

### *Asset Management Services*

We will not vote proxies, nor provide advice on proxy materials on behalf of your advisory accounts. You are responsible for exercising your right to vote proxies for any and all securities maintained in your accounts. However, we are required to vote proxies if accounts are ERISA related.

### *Class Action Suits*

A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and/or fact. Class action suits frequently arise against companies that publicly issue securities, including securities recommended by investment advisers to clients.

With respect to class action suits and claims, you (or your agent) will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in your account. We do not provide such services and are not obligated to forward copies of class action notices we may receive to you or your agents.

## **Item 18 – Financial Information**

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance. Therefore, we are not required to include a financial statement with this brochure. We have not been the subject of a bankruptcy petition.

## **Privacy Policy – Our Commitment to You**

We treat your non-public personal financial information with confidentiality and respect. Our Privacy Policy defines the trust, privacy, and confidentiality we have with our clients. Our Privacy Policy is reasonably designed to:

1. Insure the security and confidentiality of your records and information;
2. Protect against anticipated threats or hazards to the security or integrity of your records and information; and,
3. Protect against unauthorized access to or use of your records or information that could result in substantial harm or inconvenience to you.

### *Information We Collect About You*

You typically provide personal information when you open an account with us. This information includes your name and address, your assets, phone number, email address, income, investment experience, Social Security or Tax ID number, and other investment accounts.

## **Responsibility to Protect Non-Public Personal Information**

Our Associated Persons know that they have the responsibility to protect confidential client information. We restrict access to your non-public personal information to those persons on a need to know basis.

Non-public personal information includes all information you provide to obtain a financial product or service. It also includes information resulting from any transaction or information otherwise obtained in providing a financial product or services. In addition, we maintain physical, procedural and electronic safeguards in an effort to protect the information from access by unauthorized parties.

## **Privacy on the Internet**

We are committed to preserving your privacy on the Internet. If you contact us via e-mail, we will use e-mail information only for the specific purpose of responding to requests or comments. We prohibit the sale of e-mail addresses. Only when required by law will we share e-mail addresses and information.

## **Sharing Information**

We do not sell lists of client information. We do not disclose client information to marketing companies unless we hire them to provide specific services as listed below. We do not disclose any of the information except as provided by law.

We may share non-public personal information with our affiliates while processing transactions, managing accounts on your behalf, or to inform you of products or services that we believe may be of

interest to you. Additionally, we may share non-public personal information with the following types of third parties: (a) our financial service providers, such as custodians, transfer agents and third-party money managers; (b) non-financial companies under servicing or joint marketing agreements, such as printing firms, mailing firms, or providing service firms data transfer information for the purpose of aggregation, or performance reports.

These third parties are bound by law or by contract to use your information only for the services for which we hired them and are not permitted to use or share this information for any other purpose.

Your non-public personal information may also be disclosed to persons we believe to be your authorized agent or representative. We are also required to disclose your information to various regulatory agencies in order to satisfy our regulatory obligations and as otherwise required or permitted by law. In addition, we will disclose client information to third-party litigants when we are required to do so by lawful judicial process or by court order. We may also disclose your confidential information in response to a request from a government authority that has jurisdiction over our affairs.

## **Former Customers**

We do not disclose any non-public personal information about our former clients to anyone, except as required by law.

## **Keeping You Informed**

We will send you a copy of our Privacy Policy annually for as long as you maintain a relationship with us. We will provide you with a revised policy if we make any material changes. We will not change the policy to permit the sharing of non-public personal information other than that provided in this notice unless we first notify you and allow you the opportunity to “opt out” or prevent information sharing.