



## **Chalice Wealth Advisors, LLC**

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## **Form ADV, Part 2A Brochure**

**May 2018**

This Brochure provides information about the qualifications and business practices of Chalice Wealth Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 800.353.1770 or email us at [ananula@chalicecapitalpartners.com](mailto:ananula@chalicecapitalpartners.com). The information in this Brochure has not been approved or verified by the United States and Exchange Commission or by any state securities authority.

Any reference to or use of the terms “registered investment adviser” or “registered” does not imply we have achieved a certain level of skill or training. Additional information about Chalice Wealth Advisors, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Chalice Wealth Advisors, LLC is 288792.

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## Item 2 - Material Changes

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You may obtain a copy of the complete Brochure anytime and free of charge by contacting the Advisor's Chief Compliance Officer, Mr. Anthony Nanula at 800-535-6981 or via email at [ananula@chalicecapitalpartners.com](mailto:ananula@chalicecapitalpartners.com). You may also obtain a copy of the Brochure via the website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Chalice Wealth Advisors, LLC ("CWA," the "Adviser," "we," "our," or "us") is required to inform its clients ("you", "your", "clients" or "client") of material changes to its business that have occurred on a periodic basis no less than annually. Pursuant to SEC Rules, CWA will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of the Advisor's fiscal year. Since CWA's last submission of its Brochure on March 2018, the following material changes have occurred:

- **Item 5- Fees and Compensation.**

Adviser increased its Platform Fee from 15 basis points to 25 basis points. The Platform Fee is used to cover the cost of maintaining CWA's platform and to offset certain administrative costs and services including, but are not limited to: arranging for custodial services to be provided by various custodians pursuant to a separate agreement between client and custodian; coordinating with custodians regarding delivery of comprehensive account services; preparation of quarterly performance reports (to complement account statements provided by custodians); and maintenance and access to an electronic or web-based inquiry system that provides detailed information on each client. The Platform fee is based on the market value of total assets in the accounts subject to an IMA. For accounts below CWA's minimum account level of \$100,000, such accounts will be assessed a \$20.00 quarterly fee during the duration of time such account remains below the minimum account level.

The Platform Fee constitutes an additional form of compensation for CWA and its investment adviser representatives and is a different a separate fee from advisory fee assessed by CWA for rendering advisory services.

## Item 4 – Advisory Business

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### Description of Advisory Firm

Chalice Wealth Advisors, LLC is a limited liability company formed in the State of Nevada on November 1, 2016 and registered to conduct business as a SEC Registered Investment Adviser. CWA is headquartered in California and its affiliated investment advisor representatives (“Financial Advisors”) maintain independent offices throughout the U.S.

### Ownership

CWA is wholly owned directly by Chalice Wealth Partners, LLC (“CWP”) and indirectly by Nanco Associates, LLC and Keith Gregg. CWP is comprised of a family of affiliated financial service companies collectively registered, where required, to conduct securities and investment advisory activities. Specifically, CWP is comprised of CWA, Niagara International Capital Limited (“NICAL”) and Chalice Capital Partners, LLC (“CCP”) which are currently FINRA registered broker-dealers and members of SIPC. NICAL is in the process of transferring its business to CCP which was subject to FINRA’s approval of CCP’s proposed operations. Until such transfer is finalized, a number of associated individuals will be associated with NICAL, CCP and CWA. CWA and CCP are collectively referred to in this document as CWP.

### Advisory Services Offered

CWA offers a variety of advisory services to retail and institutional investors through corporate and independent financial practices located throughout the U.S. CWA may permit Financial Advisors to utilize alternative or “doing business as” (“d/b/a”) names for their advisory activities. As such, certain of CWA’s advisory services may be provided under alternative names, which are listed in Section 1.B of Schedule D of CWA’s Form ADV Part 1.

CWA tailors investment advisory services to the individual needs of the client. The goals and objectives for each client are documented via new account documentation. Client Profiles are created that reflect the stated goals and objective. CWA’s clients are allowed to impose restrictions on the investments in their account. All limitations and restrictions placed on accounts must be presented to CWA in writing.

CWA’s advisory activities include:

#### ➤ Discretionary Accounts

CWA provides personalized discretionary investment management services to its clients in accordance with its Discretionary Investment Management Agreement (“IMA”). Clients are asked to provide certain information with respect to their current financial holdings, investment objectives, risk tolerance, liquidity needs, and time horizon. CWA also inquires as to the client’s guidelines, any specific restrictions, and income requirements to be used for the management of the client’s accounts. From the information that is supplied by the client, your Financial Advisor constructs an allocation mix and investment strategy that s/he believes is suitable for the you to meet overall financial goals and objectives. The strategies utilized for these customized accounts may be similar to or may vary widely from the core strategies typically

utilized by CWA, as further described in Item No. 8 or customized for each client based upon a variety of factors. Clients may place targets on these accounts and may restrict the types of investments made in such accounts. Please refer to Item 8 for further information on our methods of analysis and investment strategies including details on the specific risks associated with these strategies.

### ➤ **Non-Discretionary Accounts**

CWA also offers non-discretionary advisory services tailored to its clients pursuant to a Non-Discretionary IMA. As with the discretionary accounts, clients are asked to provide their Financial Advisor with information regarding their financial profile and any guidelines the client wishes CWA to follow related to the investment management of the accounts. For non-discretionary accounts, Financial Advisors will recommend an investment strategy, allocation mix, or changes to the client's existing portfolio that CWA believes is suitable for that client. CWA has an ongoing responsibility to make recommendations to the client based upon the client's investment objectives and risk tolerance. The client approves or disapproves each recommendation made by CWA. Upon approval of any recommendation, CWA will arrange for effecting the securities transaction(s) recommended.

### ➤ **Third Party Managers**

Based upon the objectives of the client, the Financial Advisor may recommend to certain clients that they authorize the active discretionary management of all or a portion of their assets by certain third-party managers that are not affiliated with CWA. Prior to selecting a third-party manager for a client, CWA conducts due diligence concerning the manager through assessing overall credentials, performance, as well as engaging the assistance of independent third-party institutions where deemed applicable. CWA shall continue to render services to the client and, in addition, monitor and review the performance of the third-party manager and the performance of the client's accounts that are being managed accordingly. From time-to-time, Financial Advisor may also recommend affiliated investment managers to certain clients based on their investment objectives, guidelines, and risk profiles. CWA will monitor the performance of the selected managers. If CWA determines that a particular selected manager is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's goals and objectives, the Financial Advisor may suggest that the client contract with a different manager. In that case, the Financial Advisor will assist the client in selecting a manager.

In order to assist clients with identifying and selecting an appropriate third-party money manager, CWA will typically gather information about each client's financial situation, investment objectives, as well as any limits or restrictions considered for the management of account. CWA may provide advisory services for accounts managed by third party managers, but does not offer any advice or recommendations with respect to the selection of securities nor is it responsible for implementing any investment strategy or placing orders once determined by the client and selected third party money manager.

Clients should refer to the selected manager's Firm Brochure or other disclosure document for a full description of the services offered. The client's Financial Advisor is available to meet with clients on a regular basis, or as determined by the client, to review the account.

### ➤ **Sub-advisors**

Based upon the objectives of the client, the Financial Advisor may utilize third party managers to sub-advise all or a portion of client assets, pursuant to the IMA. Prior to selecting a sub-advisor, CWA conducts due diligence concerning the manager through assessing overall credentials, performance, as well as engaging the assistance of independent third-party institutions where deemed applicable. CWA shall continue to render advisory services to the client and, in addition, monitor and review the performance of the sub-advisor. From time-to-time, Financial Advisor may also recommend affiliated sub-advisors to certain clients based upon their investment objectives, guidelines, and risk profiles. If CWA determines that a particular selected sub-advisor is not providing sufficient management services to the client account, or is not managing the client's portfolio in a manner consistent with the client's goals and objectives, a different sub-advisor may be used.

Clients should refer to the sub-advisor's Firm Brochure or other disclosure document for a full description of the services offered. The client's Financial Advisor is available to meet with clients on a regular basis, or as determined by the client, to review the account.

### ➤ **ERISA Plan Advisory and Consulting Services**

CWA also offers several ERISA Plan advisory & consulting services. CWA typically provides this type of services to pension, profit sharing, and 401(k) plans. CWA's ERISA 3(21) and 3(38) Advisory & Consulting services provided are detailed in the investment management adoption agreement with each individual plan.

CWA acknowledges that it may be a fiduciary within the meaning of Section 3(21) and 3(38) of the Employee Retirement Income Security Act of 1974 ("ERISA"), when providing certain services to ERISA qualified accounts. The plan agreement will indicate which services fall under the qualification of nondiscretionary 3(21) fiduciary services, discretionary investment management 3(38) fiduciary services and which services are non-fiduciary services. All services provided for these plans shall be in compliance with all applicable laws regulating these types of services.

CWA will review the plan investments and accounts with the Plan Administrator(s) on a periodic basis, but no less than annually. These reviews may include, but are not be limited to, such things as investment performance, plan benchmarking, and/or Investment Policy Statement ("IPS") review.

### ➤ **Financial Consultation Services**

CWA provides a variety of financial consulting services to individuals, families, and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. For a negotiate fee, Financial Advisor will evaluate client's overall investment portfolio through various financial institutions. Financial Advisor's consultation services include but are not limited to the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Depending upon the level of the engagement for consulting services, the Financial Advisor may provide client with a financial plan and/or written summary of areas evaluated as well as the observations and/or recommended courses of action upon clients providing required documentation of all relevant areas. The client is under no obligation to act upon the Financial Advisor's recommendation. When the client elects to act on our recommendations, the client is under no obligation to effect the transaction through CWA, and CWA is in no way responsible for ensuring client follows the recommendations.

In connection to the CWA's financial consultation services, Financial Advisor may refer clients to accountants, attorneys, or other registered investment advisors and specialist, as necessary for non-advisory related services. In the case of an inherent conflict of interest derived from any referrals, CWA will provide complete and timely disclosure to advisory clients.

### ➤ **Institutional Advisory and Consulting Services**

CWA provides investment advisory and consultation services to qualified institutional clients and professional accredited investors. CWA will offer these services on a discretionary or non-discretionary basis as determined by appropriate agreement. Investment advisory and consultation services will not include investment banking activity or the dispensing of investment advice relating to the underwriting or issuing of new securities to a municipal entity. Fee for Institutional Consulting Services will be waived if such client executes orders and paid commissions to Niagara International Capital Limited ("NICL") or Chalice Capital Partners, LLC ("CCP")<sup>1</sup>, during the prior billing period.

### ➤ **Annuity, 401k, REIT and other Outside Account Asset Management**

CWA may enter into an IMA with clients to manage annuity sub accounts, accounts for participants of 401k retirement plans, real estate investments trusts and other assets not typically held in a discretionary account. After consultation with their Financial Advisor, clients may select appropriate services and enter into an agreement for asset management services. Management of variable annuity sub accounts is limited to the sub-accounts designated by the annuity company. The Financial Advisor may assist the client with selecting the account assets within the annuity sub account or assist with selecting a third-party manager to select assets within an annuity sub account. Clients may allocate account assets within the annuity subaccounts based on their investment objectives and financial situations. In certain cases, CWA may not be authorized to execute the trades required for purchases, sales or exchanges in your account. In such situations, clients are responsible for executing the transactions.

A Financial Advisor, acting in the capacity of a registered representative (with CWA's affiliate broker-dealer or another broker-dealer) may have sold the annuity or other products to be managed for the client and may have received a commission on the purchase. In such cases, Financial Advisors are prohibited from charging a fee for managing the asset for twenty-four (24) months from the date of purchase. CWA will not deduct fees for managing the sub-accounts from the annuity as such fee deductions will be considered distributions from the annuity, and may affect the annuity contract terms, and may have tax consequences for clients.

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<sup>1</sup> NICL is in the process of transferring its business to a new entity, Chalice Capital Partners, LLC ("CCP"). Transfer of business was subject to FINRA's approval of CCP's proposed operations. Until transfer is finalized, a number of associated individuals will be associated with NICL, CCP and CWA.

Clients may receive an invoice for payment of fees, or, subject to certain restrictions, elect to have fees deducted from a different account.

### ➤ **Sponsor and Manager of Wrap Program**

Accounts managed through the Wrap Program are serviced in substantially the same manner as those that are managed under a non-wrap arrangement with the primary difference related to overall fee structure for the Wrap Program.

CWA's Wrap Program is administered on either a discretionary or non-discretionary basis based on the terms outlined in the IMA. As part of this agreement, clients' pay one fee (bundled) to CWA to cover Adviser's advisory fees as well as commissions on transactions and custodian fees. Participants in the Wrap Program may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. The Adviser may retain a higher or lower portion of the Wrap fee on the number of trades conducted in the account during the billing period. For fees and potential conflicts of interest derived from CWA's discretionary authority, please refer to our Wrap Fee Program Brochure.

### **Investment Restrictions**

As described above, CWA offers an array of services and clients can select among the services that the client and the Advisor feel are suited for the client. Clients may impose reasonable restrictions on the management of their accounts, including by restricting particular securities or types of investments.

CWA makes investment decisions for clients based on information supplied by clients about their financial situation, goals, and risk tolerance. Our recommendations/investment selections may not be suitable if the client does not provide us with accurate and complete information. It is the client's responsibility to keep CWA informed of any changes to their investment objectives or restrictions. Clients should be aware that performance of restricted accounts may differ from performance of accounts without such impediments, possibly producing lower overall results.

### **Regulatory Assets Under Management**

As of March 23, 2018, CWA managed approximately \$99,240,790 on a discretionary basis.

### **Additional General Information**

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) may be recommended to clients or engaged directly by the client on an as-needed basis. Conflicts of interest related to recommendations of other professionals will be disclosed to the client in the event they should occur.



## Item 5 – Fees and Compensation

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### Advisory Fee Schedule

The specific manner in which fees are charged by CWA is established in each client's written IMA with CWA. Generally, and pursuant to such agreement, fees for the management of accounts are typically based upon a percentage of the total assets in the account (including margined assets). CWA typically receives an annual management fee that may range up to 2.25% of the net asset value of the accounts subject to the IMA. All fees are negotiable and each Financial Advisor may utilize a different fee schedule; thus, fees may differ per client. CWA also enters into flat fee arrangements from time-to-time, typically for administrative services provided to clients or client Accounts. Lower fees for comparable services may be available from other sources. CWA will not charge a total management fee over the 3% industry average for any of its services. CWA does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

### Advisory Fee Billing

Advisory fees are assessed and/or charged quarterly, based on prior quarter-end value. Fees are charged in advance unless agreed to in writing. For the initial period of engagement, the fee is calculated on a pro rata basis. Inflows and outflows of cash and securities are considered as well on a prorated basis when calculating fees. In the event the IMA is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate. Fees can be structured in one of the following ways:

1. Blended Management Fee: Total fee is calculated based upon sum of asset value times fee percentage in all asset ranges. Maximum fee is 2.25% per year (unless otherwise specified);
2. Breakpoint Management Fee: Total fee is calculated based upon total asset value times fee percentage of highest total asset value range. Maximum fee is 2.25% per year (unless otherwise specified); or
3. Flat Management Fee: Total fee is calculated based upon sum of asset value times fee percentage in all asset ranges. Maximum fee is 2.25% per year (unless otherwise specified).

Fees are debited from clients' custodial accounts. Custodians provide their clients with brokerage statements no less than frequently than quarterly. Such statement will reflect deduction of the advisory fee.

Fees are collected by CWA from the amount of any contribution or transfer, from available cash in the client's account, from margin or by liquidating the client's assets held in the client's account in an amount equal to the fees that are due.

CWA may negotiate a fee rate that differs from the range set forth above.

## **Third Party Managers – Advisory Fees**

CWA generally charges a fee for clients using third party managers between 1% and 2.25% based on assets under management. Fees are individually negotiated with each client. In addition to a client's IMA with CWA, a client enters into an agreement with a third-party manager. . Client will not be charged a total combined management fee over the 3% for assets under management under the third party manager program. Third party manager fees are individually negotiated and are based on assets under management, while also varying by each program type. The agreement with third party manager will provide the fees to be charged participation with the third-party manager.

CWA may receive compensation from a third-party manager when we refer clients to a third-party manager and clients decide to open a managed account with the third party. CWA has a conflict of interest in recommending to clients that they utilize a specific third-party manager where a referral fee is paid to CWA. Clients are under no obligation to utilize a third-party manager where CWA would receive this additional compensation. If CWA receives a fee from the third-party manager from a portion of the investment advisory fee that manager charges for managing your account, CWA is required to provide you with disclosure about these fees. Any such fees are typically paid for the term of the management of the account and are subject to the billing processes of each third-party manager.

### **➤ Sub-advisor Fees**

The fees for sub-advisors are paid from the fee CWA charges pursuant to its IMA and as outlined above. In certain instances, you may pay higher fees to CWA if a sub-advisor is used, however the total fees may not exceed 2.25% per year.

## **ERISA Plan Advisory & Consulting Services – Fees**

CWA charges fees for ERISA Plan Advisory & Consulting services based on a percentage of the plan assets for which we provide services. The percentage assessed and/or charged is negotiable up to 1.50% annually. The frequency the fees are charged and assessed for on-going advisory services will be no less than quarterly, based on prior period ending value. Generally, the fees are charged in advance, but in certain cases may be charged in arrears. Fees charged for consulting services may be based on an hourly rate, percentage of assets or a flat fee.

Fees for advisory services can be structured in one of the following ways: a fixed flat percentage fee on total assets in the account, a tiered fee schedule whereby the fee is calculated by applying different rates to different levels of assets, or a linear fee for which the percentage is lowered on all assets as asset volume thresholds are met. The percentage, frequency and structure of the fee to be assessed and/or charged for these services is stipulated in the advisory or consulting agreement executed with each plan.

## **Financial Consultation Services – Fees**

CWA will quote the client a fixed fee that is based on the estimate of time to complete the project, or may negotiate another fee arrangement for the client, pursuant to the Financial Planning Agreement (FPA). The total estimated fee, as well as the ultimate fee that the Financial Advisor will charge is based on the scope and complexity of the engagement with you.

In some cases, CWA charges an hourly fee for financial consulting services, up to a maximum of \$300.00 per hour. In other cases, CWA's fees may be charged on a fixed fee basis that typically range from \$100.00 to \$3,000, depending on the specific arrangement reached with the client.

CWA may require a negotiable retainer, which is calculated based on the estimated total financial planning or consulting fee with the remainder of the fee directly billed to the client and due within the period specified in the FPA. In all cases, CWA does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

In the event that the client or CWA terminates the FPA before completion of the financial plan or consultation, CWA will determine the fees due for the services already completed. For flat fee engagements, client may receive a pro-rata refund of unearned fees which will be based on the hours Advisor has spent on the engagement, billed at the Advisor's hourly rate for such engagements. If the retainer previously paid by client is more than the fees due, CWA will refund the amount of the unearned fees to client. If the amount due is more than the retainer collected from client, CWA will send client an invoice for the remainder due, which will be due within thirty (30) days of the invoice date. For ongoing engagements, client will receive a pro-rata refund for any remaining days left in the quarter in which the contract was terminated.

### **Institutional Advisory and Consultation Services – Fees**

Institutional Consultation Service fees are negotiable and are billed in advance. The fee amount will be based on services rendered from time to time as provided in a written invoice, which will depend on the nature and complexity of each client's circumstances. CWA will quote the client a fixed fee that is based on the estimate of time to complete the project. Fees generally range from \$10,000 to \$100,000 per project or annually. Consultation service billing periods may be monthly, quarterly or annually.

Institutional Advisory Service fees are also negotiable between CWA and the qualified clients. The fee will be assessed and/or charged no less frequently than quarterly. The percentage, frequency and structure of the fee to be assessed and/or charged for these services is stipulated in the advisory or consulting agreement executed with each client.

### **Management of Annuities, 401k Plan Participant Accounts, REITs and Other Account Assets – Fees**

The fees are negotiable depending on the level of assets, scope and complexity of the services provided. The fee will be charged quarterly in accordance with IMA. The maximum fee is 2.25%. Annuities also charge internal fees for mortality, administration and contract fees (M&A fees), which are disclosed in the annuity prospectus. CWA receives no portion of the M&A fees.

### **Fee for Participation in the WRAP Program**

CWA's Wrap Program may be managed on either a discretionary or non-discretionary basis based on the terms outlined in the Investment Management Agreement, which may include a minimum quarterly fee. As part of this agreement, the clients pay one fee (bundled fee) to CWA to cover Adviser's advisory fees as well as commissions on transactions and custodian fees. The fee is bundled with CWA's or the third-party money manager's costs for executing transactions in client's account(s), together your "wrap-fee". This fee

may also include other services, such as financial planning services. Wrapping these services together may result in a higher fee to the client than client would otherwise incur by paying for these services separately. The annual fee is not adjusted/reduced based on trading volume in account, so there is a chance that client would pay more by bundling the trading costs with the annual advisory fee based on the amount of trading being done in client's account.

The fees for the management of Accounts will be based upon a percentage of the total assets in the account (including margined assets). Adviser typically receives an annual management fee that ranges up to 2.25% of the net asset value of the Account. All fees are negotiable; thus fees may differ per client. Adviser also enters into flat rate arrangements from time-to-time, typically for administrative services provided to client or client Accounts.

### **Other Fees**

In addition to the advisory fees charged by CWA to non-WRAP Program clients, other fees apply which are associated with the execution of transactions in advisory accounts. Advisory accounts are assessed brokerage commissions, transaction fees, management fees, administrative fees, account maintenance fees, transfer taxes, wire transfer fees, electronic fund fees, and other fees which are charged by the broker or dealer selected for execution of the securities transactions in the advisory accounts, by the custodian, and/or by the distributor, issuer or fund issuing the securities purchased and sold within the advisory accounts. The client is solely responsible for paying all such charges. In addition, mutual funds and certain exchange-traded funds ("ETFs") pay management fees to their investment advisors, which reduce their respective assets. To the extent that the client's portfolio has investments in mutual funds or ETFs, the client may pay two levels of advisory fees for the management of their assets: one directly to CWA, and the other indirectly to the managers of those mutual funds and ETFs held in their portfolios. All such charges, fees, and commissions are in addition to CWA's fee. CWA shall not receive any portion of these commissions, fees, and costs.

### **Platform Fees**

CWA assesses a "Platform Fee" to advisory accounts up to .25% (25 basis points), which is used to cover the cost of maintaining its platform and to offset certain administrative costs and services including, but are not limited to: arranging for custodial services to be provided by various custodians pursuant to a separate agreement between client and custodian; coordinating with custodians regarding delivery of comprehensive account services; preparation of quarterly performance reports (to complement account statements provided by custodians); and maintenance and access to an electronic or web-based inquiry system that provides detailed information on each client. The Platform fee is based on the market value of total assets in the accounts subject to an IMA. For accounts below CWA's minimum account level of \$100,000, such accounts will be assessed a \$20.00 quarterly fee during the duration of time such account remains below the minimum account level. The Platform Fee constitutes an additional form of compensation for CWA and its investment adviser representatives and is a different a separate fee from advisory fee assessed by CWA for rendering advisory services.

## **Compensation for the Sale of Securities**

Some Financial Advisors of CWA are also dually registered with NACL/ CCPs as registered representatives and receive compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, in their individual capacities as registered representatives of CWA's affiliated broker-dealer, NACL/ CCP. Such practice represents a conflict of interest as CWA or its financial advisors who also serve as registered representatives for NACL/CCP have an incentive to recommend investment products based on the compensation received, rather than on a client's needs. CWA has established policies and procedures to mitigate conflicts and address applicable regulatory requirements, including disclosure of such conflicts via Form ADV. Clients have the option to purchase investment products that are recommended by CWA through other brokers or agents that are not affiliated with CWA. Lower fees for comparable services may be available from other sources not affiliated with CWA. Clients are encouraged to request additional information regarding potential conflicts of interest.

In addition to advisory fees, CWA does not charge commissions or markup equity or fixed income transactions.

Financial Advisors who are solely registered with CWA do not receive such compensation with respect to accounts managed or advised by CWA.

CWA does not receive more than 50% of its revenue from advisory clients from commissions and other compensation related to the sale of investment products that are recommended to clients.

## **Broker-Dealer Charges**

Item 12 further describes the factors that CWA considers in selecting broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions, wire transfer fees, custodial fees, bank fees, ticket charges, etc.).

## **Termination Fees**

Upon 30-days written notice to CWA, the client has the right to terminate his or her advisory agreement with CWA without penalty or payment of additional fees. In the event the Client has paid in advance for any service and the advisory contract is terminated before the end of the billing period, the Advisor will refund any pro-rata amount due to client, after deducting the \$50 termination fee per account as disclosed in the IMA. Advisor will use the date of the termination as the basis for the pro-rata calculation to determine the refund to the Client.

The termination will not affect any liabilities or obligations from transactions initiated in clients' accounts prior to the written notice.

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

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CWA does not charge any performance-based fees (i.e., fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

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CWA offers its advisory services to individuals, including high net worth individuals, banks, pension plans, trusts, investment advisors, individual participants of retirement plans, institutions, corporations, endowments, non-profits or other business entities domiciled or residing in the United States and other countries. CWA will ensure it is properly registered with the appropriate regulatory authorities in the jurisdiction of prospective individual and/or entity clients as required. CWA also provides asset management, financial consulting, ERISA plan advisory & consulting, investment advisory consultation, and selection of third party money managers. Our services are provided on a discretionary and non-discretionary basis.

When subscribing to the advisory services offered by CWA, generally, the minimum account value is \$100,000, although lower levels may be accepted on a case-by-case basis by CWA. If the value of a client's account declines below established minimum threshold during each calendar year CWA assesses such accounts a \$20.00 quarterly fee during the duration of time such account remains below the minimum account level. CWA reserves the right to require the client to deposit additional monies or securities to bring the account value up to the account minimum. For friends and family of the CWA, this may be waived.

For purposes of calculating minimum account values, CWA may consider all investment management accounts which constitute the "household" of the client's assets. Typically, a client's household consists of any spouse, parent, child, partner or sibling. CWA may terminate the advisory relationship for failure to maintain the minimum account value. In some special cases, account minimums may be waived or negotiated.

If a client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), CWA may be a fiduciary to the plan. In providing our investment management services, the sole standard of care imposed upon us is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

CWA will provide certain required disclosures to the "responsible plan fiduciary" (as such term is defined in ERISA) in accordance with Section 408(b)(2), regarding the services we provide and the direct and indirect compensation we receive by such clients.

Generally, these disclosures are contained in this Form ADV Part 2A, the client agreement and/or in separate ERISA disclosure documents, and are designed to enable the ERISA plan's fiduciary to: (1) determine the reasonableness of all compensation received by CWA; (2) identify any potential conflicts of interests; and (3) satisfy reporting and disclosure requirements to plan participants.



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

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### **General Investment Description and Methods of Analysis**

CWA may analyze the securities and other investment products it offers utilizing charting, fundamental, technical and cyclical methods. CWA's investment strategies used to implement discretionary investment advice given to clients include long term purchases (securities and other investment products held at least a year), short term purchases (securities and other investment within 30 days) and the funds and other securities in which CWA invests include such strategies as short sales, margin transactions, derivative and emerging markets. For the purposes of identifying various objective parameters, CWA applies various ranges of risk/reward strategies to address clients' investment objectives. CWA is structured as an open architecture platform. CWA, in coordination with Advisor's affiliates, performs due diligence on third party managers, sub-advisors and other product providers. CWA reviews, analyzes and supplements due diligence as necessary and makes an independent determination as to whether to approve a manager or product for client accounts.

CWA has arrangements with third-party service providers through which Advisor receives general macroeconomic analyses of economies, currencies, markets and market sectors. Such third parties also provide due diligence on other investment advisors which CWA may recommend to its clients, research reports on specific securities, sample asset allocations and administrative services. CWA uses such information and services as a tool and also performs its own research and due diligence on managers and investment opportunities. CWA makes investment allocation decisions based on each client's investment objectives and risk tolerance, among other factors. CWA identifies, structures, monitors, invests and liquidates investments in discretionary accounts. The design and day-to-day management of client portfolios is determined by CWA through Financial Advisors, sub-advisors and third-party managers.

CWA seeks the appropriate level of asset preservation and capital appreciation of clients' portfolios by customizing asset allocations and selecting investment vehicles that it believes will align clients' risk / return expectations with long term and short-term investment needs and goals. The asset class allocations invested in various financial instruments, typically include equity, fixed income, commodities, real estate investment trusts ("REITs") and master limited partnerships ("MLPs") (publicly traded partnerships), and alternative investments. CWA will select and monitor the investment vehicles for each asset class in the portfolios based on their history and prospective risk and return characteristics, and determine suitability for each client's needs, as well as, estimated fees and expense.

### **General Risks**

Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment or investment strategy will either be suitable or profitable for a client's investment portfolio. Past performance is not indicative of future results. A client should not assume that the future performance of any specific investment, investment strategy, or product will be profitable or equal to past or current performance levels. CWA cannot assure that the investment objectives of any client will be realized.



## Special Risks

While investing in any security involves risk, investing in some types of securities carries special risks. A summary of the special risks associated with some types of securities we may recommend is provided below. Please note that the following summaries are general in nature and do not include an explanation of all risks associated with a given security type.

- Market Risk: The price of a stock, bond, mutual fund or other security 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.
- Equity Risk: Since the strategies invest in equity securities, they are subject to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of each strategy's equity securities may fluctuate significantly from day-to-day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in the strategies we offer.
- Foreign Risk: Investments in overseas markets (international securities) pose special risks, including currency fluctuation and political risks, and such investments may be more volatile than that of a U.S. only investment. The risks are generally intensified for investments in emerging markets.
- 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.
- Political and Legislative Risk: Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those companies who conduct a substantial amount of their business outside of the United States.
- 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.
- 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.

### **Risk associated with specific investment products:**

- a) Bonds. Bonds are subject to credit risk, which is the risk of default associated with the issuer. Bonds are also subject to interest rate risk or the risk that changes in interest rates during the term of the bond might affect the market value of the bond prior to the call or maturity date. Investors should also consider inflation risk, which is the risk that the rate of the yield to call or maturity will not provide a positive return over the rate of inflation for the period of the investment.
- b) Foreign-Issued Securities. Debt and equity investments associated with foreign countries may involve increased volatility and risk due to, without limitation:
- Political Risk. Many foreign countries are undergoing, or have undergone in recent years, significant political change that has affected government policy, including changes in the regulation of industry, trade, financial markets, and foreign and domestic investment. The relative instability of these political systems leaves these countries more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform, political or diplomatic changes, social instability, or changes in government policies. For investors, the results may include confiscatory taxation, exchange controls, compulsory reacquisition, nationalization or expropriation of foreign-owned assets without adequate compensation, or the restructuring of certain industry sectors in a way that could adversely affect investments in those sectors.
  - Sovereign Risk. Strikes, the imposition of exchange controls, or declarations of war may prevent or impede repayment of funds due from a particular country.
  - Economic Risk. The economies of these countries may be more vulnerable to rising interest rates and inflation. Investments may be negatively affected by rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trade, and sensitivity to world commodity prices. Additionally, a change in tax regime may result in the sudden imposition of arbitrary or additional taxes.
  - Currency Risk. The weakening of a country's currency relative to the U.S. dollar or to other benchmark currencies will negatively affect the dollar value of an instrument denominated in that currency.
  - Credit Risk. Issuers and obligors of sovereign and corporate debt may be unable to make timely coupon or principal payments, thereby causing the underlying debt or loan to enter into default.
  - Liquidity Risk. Natural disasters as well as economic, social, and political developments in a country may cause a decrease in the liquidity of investments related to that country, making it difficult to sell quickly, and/or subjecting the seller to substantial price discounts.

The nature and extent of these risks vary from country to country, among investment instruments, and over time.

c) Emerging Market Securities. Investments and transactions in products linked to issuers and obligors incorporated, based, or principally engaged in business in emerging markets countries carry increased risk and volatility. In addition to the political, sovereign, economic, currency, credit, and liquidity risks described above, emerging market securities can be subject to the following risks:

- Market Risk. The financial markets can lack transparency, liquidity, efficiency.
- Regulatory Risk. There may be less government supervision and regulation of business. The supervision that may be in place may be subject to manipulation or control. Disclosure and reporting requirements may be minimal or non-existent.
- Legal Risk. The process of legal reform may not proceed at the same pace as market developments, which could result in uncertainty. Legislation to safeguard the rights of private ownership may not yet be in place.
- Settlement and Clearing Risk. The registration, recordkeeping and transfer of instruments may be carried out manually, which may cause delays.

d) Mutual Funds. Most mutual funds fall into one of four main categories - money market funds, bond funds (also called "fixed income" funds), and stock funds (also called "equity" funds) or a combination generally called — balanced funds. Generally, the higher the potential return, the higher the risk of loss. A fund's investment objective and its holdings are influential factors in determining risk. Past performance is not a reliable indicator of future performance. Reading the prospectus will help you to understand the risk associated with that particular fund.

Different mutual fund categories have inherently different risk characteristics. For example, a bond fund faces credit risk, interest rate risk, and prepayment risk. Bond values are inversely related to interest rates. If interest rates rise, bond values will go down and vice versa.

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons - such as the overall strength of the economy or demand for particular products or services. A sector stock fund (which invests in a single industry, such as telecommunications) is at risk that its price will decline due to developments in its industry. A stock fund that invests across many industries is more sheltered from this risk. For most funds, investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs. And, depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive.

e) Municipal Securities. Credit risk is the primary risk associated with municipal securities. Different types of bonds are secured by various types of repayment sources. General obligation ("G.O.") bonds are backed by the full faith and credit and taxing power of the issuer. With revenue bonds, the interest and principal are dependent upon the revenues paid by users of a facility or service or other dedicated revenues including special tax revenues. The probability of repayment as promised is often determined by an independent reviewer, or — rating agency. An investor might also

consider that consumer spending that provides the funding or income stream for revenue bond issuers may be more vulnerable to changes in consumer tastes or a general economic downturn compared to G.O. bonds.

- f) Private Placements. Private Placements are not subject to the same regulatory and disclosure requirements as mutual funds and ETFs. Moreover, private placement interests are generally illiquid and may charge higher fees. Private placements are offered through an offering memorandum, which contains detailed information on the various risks and fees relating to the particular investment. An offering memorandum and accompanying subscription documents will be provided to clients investing in these types of securities.
- g) Principal-protected Notes. The principal guarantee is subject to the credit-worthiness of the guarantor. In addition, principal protection levels can vary. While some products guarantee 100 percent return of principal, others guarantee as little as 10 percent. In most cases, the principal guarantee only applies to notes that are held to maturity. Issuers may (but are not obligated to) provide a secondary market for certain notes but, depending on demand, the notes may trade at significant discounts to their purchase price and might not return all of the guaranteed amount.

Some principal-protected notes have complicated pay-out structures that can make it hard for an advisor to accurately assess their risk and potential for growth.

- h) Hedge Funds. Hedge funds often engage in leveraging and other speculative investment practices that may increase the risk of investment loss. A hedge fund's performance can be volatile. An investor could lose all or a substantial portion of his or her investment. There may be no secondary market for the investor's interest in the fund. The hedge fund can be highly illiquid and there may be restrictions on transferring interests in the fund. Hedge funds are not required to provide periodic pricing or valuation information to investors. Hedge funds may have complex tax structures. There may be delays in distributing important tax information. Hedge funds are not subject to the same regulatory requirements as mutual funds. Hedge funds often charge high fees. The fund's high fees and expenses may offset the fund's trading profits.
- i) Structured Products. Structured Products are known as a market linked investment, it is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities such as options, indices, commodities debt issues and/or foreign currencies. Structured products can be used as an alternative to a direct investment, as part of the asset allocation process to reduce risk exposure of a portfolio or to utilize a current market trend. The risks associated with many structure products are similar to those risks involved in option trading. Other risks may include lack of liquidity and no daily pricing.
- j) Exchange Traded Notes. Exchanged traded notes ("ETN's") do not buy or hold assets to replicate or approximate the performance of an underlying index. Investors are simply buying a promise to pay a market return by the issuer of the note if it is held to maturity. ETN's are unsecured debt obligations of the issuer and are thus particularly exposed to credit risk of that issuer. An ETN's closing indicative value is computed by the issuer and is distinct from the ETN's market price, which is the price at which an ETN trades in the secondary market. Investors should understand that an ETN's market price can deviate, sometimes significantly, from its indicative value. Any

fees and costs of operating an ETN are deducted from its performance.

- k) Exchange-Traded Funds. Exchanged traded funds ("ETFs") often have a stated goal of replicating an underlying benchmark. There is the chance that the fund's manager will do a poor job of tracking the performance of that benchmark. Investors should understand that an ETF's market price can deviate, sometimes significantly, from its underlying asset value. Any fees and costs of operating an ETF are deducted from its performance.
- l) Leveraged and/or Leveraged-Inverse ETFs: Leveraged ETFs are securities that attempt to replicate multiples of the performance of an underlying financial index. Inverse ETFs are designed to replicate the opposite direction of these same indices, often at a multiple. These ETFs often use a combination of futures, swaps, short sales, and other derivatives to achieve these objectives. Most leveraged and/or inverse-leveraged ETFs are designed to achieve these results on a daily basis only. This means that over periods longer than a trading day, the value of these ETFs can and usually does deviate from the performance of the index they are designed to track. Over longer periods of time or in situations of high volatility, these deviations can be substantial. Leveraged ETFs may obtain investment exposure in excess of an ETF's assets by utilizing leverage and may lose more money in market conditions that are adverse to its objective than a similar ETF that does not utilize leverage. Leveraged ETFs are exposed to the risk that a decline in the daily performance of its relevant index will be leveraged. This means that an investment in a leveraged ETF will be reduced by an amount that is greater than a daily decline in its relevant index.

Prior to entering into an IMA with CWA, a client should carefully consider: (i) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis; (ii) that volatility from investing in the market can occur; and (iii) that, over time, the value of the client's portfolio may fluctuate and may, at any time, be worth more or less than the amount originally invested.

### **Third Party Managers and Sub-advisors - Risks**

As stated above, CWA may select certain third-party managers or sub-advisors to manage a portion of its clients' assets. In these situations, CWA continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the managers' ability to successfully implement their investment strategies. In addition, CWA generally may not have the ability to supervise the managers on a day-to-day basis.

### **Annuities - Risks**

An annuity is a contract with an insurance company, under which the insurer agrees to make periodic payments, beginning either immediately or at some future date. An annuity contract is purchased by making either a single purchase payment or a series of purchase payments. The value of an annuity will vary depending on the performance of the investment options chosen. The investment options for an annuity are typically mutual funds (called sub-accounts) that invest in stocks, bonds, money market instruments, or some combination of the three.

Although annuities are typically invested in mutual fund sub-accounts, annuities differ from mutual funds in several important ways:

- First, annuities allow an owner to receive periodic payments for the rest of their life (or the life of a spouse or other designated person). This feature offers some protection against the possibility that, after retirement, the owner will outlive their assets.
- Second, annuities have a death benefit. If the owner dies before the insurer has started making payments, the beneficiary is guaranteed to receive a specified amount – typically at least the amount of the purchase payments. The beneficiary will get a benefit from this feature if, at the time of the owner's death, the account value is less than the guaranteed amount.
- Third, annuities are tax-deferred. That means the owner pays no taxes on the income and investment gains from an annuity until money is withdrawn. Money can also be transferred from one investment option to another within an annuity without paying tax at the time of the transfer. When money is taken out of a variable annuity, the earnings are taxed as ordinary income tax rates rather than lower capital gains rates. In general, the benefits of tax deferral will outweigh the costs of a variable annuity only if held as a long-term investment to meet retirement and other long-range goals.

### **Financial Planning - Risks**

The tools CWA uses for incidental financial planning rely on various assumptions, such as estimates of inflation, risk, economic conditions, and rates of return on security asset classes. All return assumptions use estimates of future returns of asset classes, not returns of actual investments, and do not include fees or expenses that clients would pay if they invested in specific products.

Financial planning software is only a tool used to help guide Financial Advisors and the client in developing an appropriate plan. CWA cannot guarantee that clients will achieve the results shown in the plan. Results will vary based on the information provided by the client regarding the client's assets, risk tolerance, and personal information. Changes to the program's underlying assumptions or differences in actual personal, economic, or market outcomes may result in materially different results for the client. Clients should carefully consider the assumptions and limitations of the financial planning software as disclosed on the financial planning reports and should discuss the results of the plan with a qualified investment professional before making any changes in their investment or financial planning program.

## Item 9 - Disciplinary Information

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Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would-be material to your evaluation of an advisor or the integrity of the advisor's management. Advisor has no information applicable to this Item. Please visit [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) at any time to view CWA's registration information and any applicable disciplinary action.



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

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### **Broker-Dealer Registration**

Advisor is neither registered nor has an application pending to register in the U.S. with the Securities and Exchange Commission (SEC) as a securities broker-dealer. However, certain management persons of CWA such as Mr. Keith Gregg and Mr. Anthony Nanula, are registered representatives of NICL and CCP, broker-dealers under common control with CWA. NICL is in the process of transferring its business to CCP.

### **Commodity Pool Operator, Commodity Trading Advisor, Futures Commission Merchant Registration**

CWA is neither registered nor has an application pending to register with the Commodity Futures Trading Commission (“CFTC”) as a futures commission merchant (“FCM”), a commodity pool operator (“CPO”) or a commodity trading advisor (“CTA”) or have any application pending to be registered with respect to any of the foregoing.

### **Other Financial Affiliations**

CWA has common ownership with NICL and CCP, and certain Financial Advisors are registered representatives of NICL and CCP resulting in a material relationship to CWA’s advisory business and its clients. NICL or CCP may act as the broker for certain CWA clients with brokerage accounts at NICL or CCP respectively. These NICL/CCP brokerage accounts are not subject to IMAs or managed by CWA. CWA advisory fees will not be billed on these accounts. With respect to the NICL/CCP brokerage accounts, NICL/CCP and/or its affiliates, including Financial Advisors registered with NICL/CCP receive compensation in the form of management fees, placement fees, sales charges, redemption fees, structuring fees and trailer fees from the products they issue and/or sell, as well as from third-party products.

Financial Advisors registered with NICL/CCP have a conflict of interest in recommending that clients purchase products through NICL/CCP due to the compensation they receive as described above. Please be advised that Financial Advisors have a fiduciary obligation to serve the client’s best interest. You are under no obligation to utilize the services of your Financial Advisor in the purchase or sale of these products.

### **Insurance Agents**

Certain Financial Advisors may be licensed to sell insurance products through various insurance companies that are not affiliated with CWA. These products are offered separately from your Financial Advisor’s relationship with CWA. Any sales of insurance products through your Financial Advisor would result in the receipt of commissions or other compensation to your Financial Advisor (in addition to CWA fees paid by you for the management of your accounts).

The commissions and other compensation received by your Financial Advisor from the sale of securities through NICL/CCP or insurance products do not offset the fees you pay to CWA for the management of



your

accounts. Your Financial Advisor has a conflict of interest in offering such other products as commissions and other compensation could affect the product recommendations. It is your responsibility to determine whether these other products being offered are appropriate products for your circumstances. You are under no obligation to utilize the services of your Financial Advisor in the purchase or sale of these insurance products.

### **Third Party Managers**

The compensation paid to CWA by third-party managers may vary, and thus, there is a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over other third-party managers. CWA's fees may be higher than they would be if clients obtained services directly from the third-party money manager. There is a conflict of interest in utilizing third party managers that pay a portion of their advisory fee to CWA, as there is an incentive to CWA in selecting a particular manager over another in the form of fees or services. In order to minimize this conflict, the CWA seeks to make its investment and manager selections in the best interest of our clients. You are under no obligation to utilize the services of third-party managers, specifically where CWA will receive a referral fee. CWA seeks to ensure that third party managers are properly licensed or registered as an investment adviser prior to engagement.

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

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## **Code of Ethics**

Securities industry regulations require that advisory firms provide their clients with a general description of the advisory firm's Code of Ethics. CWA has adopted a Code of Ethics that sets forth the governing ethical standards and principles of the Advisor. It also describes CWA's policies regarding the following: the protection of confidential information, including the client's nonpublic personal information; the review of the personal securities accounts of certain personnel of the CWA for evidence of manipulative trading, trading ahead of clients, and insider trading; trading restrictions; training of personnel; and recordkeeping. All supervised persons at CWA must acknowledge the terms of the Code of Ethics upon hire, annually and as amended.

Subject to satisfying the CWA's policies and applicable laws, CWA personnel may trade for their own accounts in securities that are recommended to and/or purchased for CWA's clients. The Code of Ethics is designed to permit personnel to invest for their own accounts while assuring that their personal transaction activity does not interfere with making decisions in the best interest of advisory clients or implementing those decisions. Neither the Advisor nor any associated person of the CWA who (a) has access to nonpublic information regarding clients' securities transactions, (b) is involved in making securities recommendations to clients, or (c) has access to securities recommendations that are not public (collectively, the "Access Persons") is permitted to trade in or engage in a securities transaction to his or her advantage over that of a client. Access Persons are prohibited from buying or selling securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information also is available to the investing public upon reasonable inquiry. Access Persons may not execute transactions in their personal accounts ahead of a client's transaction in the same security unless certain circumstances exist. Because the Code of Ethics in some circumstances permits employees to invest in the same securities that they also buy or sell for their clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored by the CWA's Chief Compliance Officer in an effort to prevent conflicts of interest between CWA and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with CWA's obligation of best execution. In such circumstances, all persons participating in the aggregated order will receive an average share price with all other transaction costs shared on a pro-rata basis. The CWA will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro-rata basis. Any exceptions must be pre-approved by the Chief Compliance Officer.

CWA or its related persons may recommend to clients, or buy/sell for clients' accounts, securities in which CWA or a related person has a material financial interest.

Our clients or prospective clients may request a copy of the Code of Ethics by contacting the Chief Compliance Officer at the address or telephone number specified on the introductory page of this Brochure.

## Item 12 – Brokerage Practices

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### Broker-Dealer Selection

CWA does not have discretionary authority to select the broker-dealer or custodian for custodial or execution services to accounts it manages. Clients are under no obligation to use the custodian recommended by CWA. CWA's primary custodian is Raymond James Financial Services, Inc. (RJFS), which is used for custody of customer assets and execution of customer transactions. Raymond James & Associates, Inc. (RJA), an affiliate of RJFS and a member of the New York Stock Exchange (NYSE) and the Securities Investor Protection Corporation (SIPC), acts as the clearing agent in the execution of securities transactions placed through RJFS. RJFS' involvement with CWA's clients are exclusively that of a clearing and custodial firm/relationship. All investment decisions, due diligence, portfolio management, suitability, etc., are performed by CWA and are the sole responsibility of CWA. Accordingly, transactions through RJFS may result in higher commissions, greater spreads, or less favorable net prices than might be the case if CWA freely negotiated commission rates or spreads, or selected other broker-dealers or custodians on a competitive basis. RJFS charges commissions or markups/mark-downs on transactions. The foregoing notwithstanding, CWA will monitor the execution capabilities, transaction costs and services provided of all broker-dealers it uses on an ongoing basis and may direct client securities transactions to other broker-dealers as appropriate. In addition to RJFS, the CWA also manages from time-to-time certain customer assets and accounts that may be held outside of RJFS (i.e., other custodians).

CWA will monitor the execution capabilities, transaction costs and services provided of all broker-dealers it uses on an ongoing basis and may direct client securities transactions to other broker-dealers as appropriate.

In certain instances, CWA may recommend NICL/CCP as an introducing broker-dealer for certain advisory clients. NICL, CCP and CWA are entities under common control by way of Mr. Keith Gregg, Chief Executive Officer ("CEO") of CWA, NICL and CCP, and Mr. Michael Nanula, Chairman of CWA and NICL. NICL/CCP and/or associated persons receive compensation for brokerage transactions processed in these advisory accounts, and for the purchase of investment and insurance products recommended, which poses a potential conflict of interest. Clients may pay commissions higher than those obtainable from other brokers for the same services rendered by NICL/CCP or any other broker-dealer recommended to the client by CWA. Clients can also elect to have their account held custody and trades executed at a broker-dealer of their choice, which may or may not cost more to the client. CWA, NICL, and CCP maintain dually associated persons and share facilities. Please refer to Item 5 for further information about any conflicts related to the dual association of individuals.

In recommending brokers-dealers or custodians, CWA will generally seek the best combination of services provided and associated expenses. Relevant factors used in evaluating "execution quality" include historical net prices, the execution, clearance, and settlement and error correction capabilities of the broker or dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the broker's or dealer's willingness to commit capital; reliability and financial stability; the size of the transaction; availability of securities to borrow for short sales; and the market for the security.

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

CWA currently has no written soft dollar agreements. CWA will primarily execute securities transactions through RJFS, and accordingly, does not typically direct brokerage in consideration for research received.

CWA does not research or other products or services other than execution from a broker-dealer or a third party (“soft dollar benefits”) in connection with client securities transactions.

## **Directed Brokerage**

You are serviced on a “directed brokerage basis”, where CWA will place trades within the established account at the custodian designated by you. Further, your accounts are traded within their respective brokerage account. Because you are selecting the custodian for your accounts, CWA will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by your designated custodian. Please note that not all advisers require their clients to direct brokerage. By directing brokerage, clients may be unable to achieve most favorable execution for their transactions. This practice may result in clients paying higher costs.

CWA may not engage in any principal transactions (i.e., trade of any security from or to CWA’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account).

## **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, CWA will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

## **Aggregation of Trades**

CWA generally does not aggregate trades. Where practicable, certain client portfolio orders for the same security may be combined or “batched” and executed as block transactions in order to facilitate best execution as well as for the purpose of negotiating more favorable brokerage commissions. Where a block trade is executed for a number of client accounts, the average execution price on all of the purchases and sales that are aggregated to this purpose should be used for all accounts. If an entire block is not fully executed on the same day, CWA’s policies require an allocation method that is fair and reasonable to all clients.

## Item 13 – Review of Accounts

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During periodic reviews, CWA seeks to analyze a variety of factors, including risk tolerance, suitability and fiduciary standards. CWA requires that the Financial Advisors have a reasonable basis to believe that recommended investment strategies are in the best interest for its clients based on information obtained from their clients through reasonable diligence. The nature of these reviews is to learn whether clients' accounts are aligned with their investment objectives, appropriately positioned based on market conditions and investment policies, if applicable. Accounts are reviewed by Anthony Nanula, Chief Compliance Officer on a periodic basis.

CWA may review client accounts more frequently than described above. The factors that may trigger an off-cycle review are major market or economic events, the outlook for the securities markets, the client's life events, requests by the client, etc.

Clients are strongly encouraged to immediately notify their Financial Advisor of the following: (a) a change in the client's investment objectives, guidelines and/or financial situation; (b) change in strategy or diversification; (c) change in tax considerations; (d) plans to add or withdrawn from the account; and (e) any other changes or concerns their Financial Advisory may need to know to properly manage their accounts. For discretionary accounts, the allocation of each portfolio is adjusted, and securities selected, at the Financial Advisor's discretion, in accordance with the client's investment objectives, risk tolerance, and financial needs.

The qualified custodian for a client account will provide the client with a monthly or quarterly statement of the value of the client's account. These reports generally include, among other things, a summary of all activity in the account, including all purchases and sales of securities and any debits and credits to the account, a summary of holdings including a portfolio valuation, and the change in value of the client's account(s) during the reporting period. Clients may also receive other written reports produced by the Financial Advisor. You are strongly encouraged to compare any such reports from CWA or Financial Advisor with statements from custodians. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Please contact CWA with any questions.

### **Third Party Manager**

Financial Advisors will review third party money manager reports provided to the client in order to review client's investment and financial profile. CWA will assist client to understand and evaluate services provided by the third-party manager. The client is expected to notify CWA of any changes in his/her financial situation, investment objectives, or account restrictions that could affect their account. Upon client request, CWA will contact directly the third-party money manager managing to account to facilitate any request from the client.

### **Advisory & Consultation Services for Retirement Plan Sponsors**

Retirement Plan Sponsor clients' advisory accounts will be reviewed based on the terms outlined in the Investment Policy Statement and advisory agreement. For clients that have entered into a consultation

agreement, the frequency and scope of periodic review will be stipulated in the Investment Policy Statement and in the advisory agreement.

### **Financial Consultation Service**

Financial consultation clients generally do not receive reviews of their written plans unless agreed to by Financial Advisor. Any type of reporting is agreed upon by Financial Advisor and the client on a case-by-case basis. CWA generally does not provide ongoing services to financial consultation clients, but Financial Advisors are willing to meet with clients upon their request to discuss updates to their plans or changes in their circumstances. In cases where CWA has been contracted to conduct ongoing financial consultation services, the Financial Advisor will conduct reviews as agreed upon with the client.

### **Institutional Advisory and Consultation Service Reviews**

Institutional client advisory accounts are managed on a continual basis, and CWA will review the accounts periodically with the client on a schedule agreed upon in the Investment Policy Statement and services agreement. If the client has entered into an institutional consultation agreement, the frequency and scope of the review will be stipulated in the Investment Policy Statement and in the services agreement.

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

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## **Clients Referrals**

Advisor's compensation is primarily in the form of advisory and management fees. CWA currently does not receive client referrals from solicitors.

In connection to advisory services provided, CWA may refer clients to unaffiliated professionals for specific needs, such as mortgage brokerage, real estate sales, estate planning, legal, and/or tax/accounting. In turn, these professionals may also refer clients to CWA. Although CWA receives indirect economic benefit, the Advisor does not have any arrangements with individuals or companies that we refer clients to, and we do not receive any compensation for these referrals. Clients are under no obligation to use the referred vendors and any compensation to the referenced vendors should be outlined in service agreement between clients and unaffiliated professionals.

## **Other Compensation/Benefits**

CWA and Financial Advisors, in certain cases, receive monetary and other support from product companies used in client portfolios for technology, training, education, industry meetings and client marketing. The compensation is generally paid in the form of reimbursement or direct payment of expenses. The receipt of such compensation is a conflict of interest as CWA and/or Financial Advisors may choose based upon these arrangements. CWA and Financial Advisors are obligated to act in the client's best interest at all times.

CWA receives benefits for working with certain custodians such as the ability to access their trade desks, access to complimentary technology, discounts on technology and other business support resources, complimentary newsletters and periodicals. Custodians, including RJFS, in certain cases, provide financial support for education and industry conferences. RJFS provides CWA with monetary support to assist Financial Advisors in their transition from other advisory or brokerage firms to CWA, including loans, assistance with overhead, travel and lodging assistance for education and training meetings, and other related assistance. The commissions and/or transaction fees charged by these custodians, including RJFS may be higher or lower than those charged by other custodians. These arrangements create a conflict of interest for CWA since there is a financial incentive to utilize RJFS or other custodians providing similar support. CWA periodically evaluates these arrangements to ensure the overall services, support and costs of execution through such custodians is in the best interests of its clients.



## Item 15 – Custody

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CWA is deemed to have custody of client funds because the Advisor has the authority and ability to debit its fees directly from clients' accounts. Please note that CWA's does not have physical custody of client assets (including monies or securities). To mitigate any potential conflicts of interests, all CWA client account assets are maintained with independent qualified custodians.

In addition, CWA has implemented the following safeguards as consequence of its authority to make withdrawals from client accounts to pay its advisory fee:

1. CWA obtains written authorization from the client to deduct advisory fees from the account held with the qualified custodian,
2. Each time a fee is directly deducted from a client account, CWA concurrently:
  - a) Send the qualified custodian an invoice of the amount of the fee to be deducted from the client's account; and,
  - b) Send the client an invoice itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under managements the fee is based on, and the time period covered by the fee; and,
3. CWA notifies the State Regulators in writing of its intention to use the safeguards referenced previously via Form ADV.

CWA may only implement its investment management recommendations after the client has arranged for and furnished CWA with all information and authorization regarding its accounts. Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare such official custodial records to the performance reports that we may provide to you. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Please contact CWA with any questions.

## Item 16 – Investment Discretion

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CWA offers discretionary management services. CWA obtains discretionary authority only in connection with its discretionary management services. When a client elects CWA's discretionary management services, the client will sign an agreement that provides CWA Advisors with the discretionary authority. CWA is then authorized to select the securities and the quantities or amounts of securities to be purchased, leveraged, transferred, exchanged, traded and sold consistent with the stated investment objectives, risk profile, and investment restrictions adopted by the client. CWA's discretionary authority includes the ability to do the following without contacting the client:

- Determine the securities to be bought or sold for a client's account,
- Determine the amount of securities to be bought or sold for a client's account, and
- Determine the commission rates to be paid to a broker or dealer for a client's securities transactions.

CWA's discretionary authority is limited by any reasonable restrictions that the client places on the management of the account, and the investing parameters set forth by CWA and the client, if any. If CWA deems a proposed restriction unreasonable, CWA may discontinue the advisory service. Reasonability is based on whether the restriction(s) will impose a significant time burden on CWA to comply with such restrictions. CWA also reserves the right not to accept and/or terminate management of a client's account if it feels that the client-imposed restrictions would limit or prevent it from meeting and/or maintaining its overall investment strategy.

For clients' accounts managed on a non-discretionary basis, CWA will properly secure the client's permission prior to effecting securities transactions.

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

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As a matter of Advisor policy and practice, CWA does not does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities owned by the client. Generally, CWA does not provide advice to clients regarding the voting of proxies. However, third party money managers recommended by CWA may vote proxies for clients, this will be disclosed in the third-party money manager's ADV and agreement.

## **Item 18 – Financial Information**

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Registered investment advisors are required in this Item 18 to provide you with certain financial information or disclosures about their financial condition. CWA does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. CWA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Accordingly, no financial statements are required to be provided by CWA to its