

# CJM Wealth Management LLC

## Firm Brochure

*This brochure provides information about the qualifications and business practices of CJM Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at (631) 777-1030 or by email at: [info@cjmwealth.com](mailto:info@cjmwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about CJM Wealth Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). CJM Wealth Management LLC's CRD number is: 154712*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of CJM Wealth Management LLC on March 16, 2019 are described below. Material changes relate to policies, practices or conflicts of interests only.

- On or about April 22, 2019, the firm underwent a change in form/organization; however, there has been no change in control. Accordingly, the name of the firm has been updated and a succession by amendment has been filed.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

This firm was formed in October 2010. The principals are Charles Joseph Massimo and Peter Souren Anastasian.

### **B. Types of Advisory Services**

CJM Wealth Management LLC (hereinafter “CJM”) offers the following services to advisory clients:

#### ***Investment Supervisory Services***

CJM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. CJM creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

CJM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### ***Services Limited to Specific Types of Investments***

CJM limits its money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, insurance products including annuities, captive insurance, government securities and life settlements. CJM may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

CJM offers the same suite of services to all its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client’s current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent CJM from properly servicing the client account, or if the restrictions would require CJM to deviate from its standard suite of services, CJM reserves the right to end the relationship.

#### **D. Wrap Fee Programs**

CJM does not participate in any wrap fee programs.

#### **E. Amounts Under Management**

CJM has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$ 154,479,318.00	\$ 222,687,583.00	December 2018

### **Item 5: Fees and Compensation**

#### **A. Fee Schedule**

##### *Investment Supervisory Services Fees*

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
Up to \$1,000,000	1.95%
Next \$1,000,001 - \$2,000,000	1.70%
Next \$2,000,001 - \$5,000,000	1.60%
Next \$5,000,001 - \$8,000,000	1.30%
Next \$8,000,001 - \$10,000,000	0.95%
Next \$10,000,001 - \$15,000,000	0.90%
Above \$15,000,000	0.85%

Fees are charged on a tiered schedule meaning fees may be charged at multiple percentages depending on the amount of assets in the account. These fees are negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with three days' written notice. Refunds are given on a prorated basis, based

on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

## **B. Payment of Fees**

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e., brokerage fees, custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CJM. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

CJM collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be deposited back into client's account.

## **E. Outside Compensation For the Sale of Securities to Clients**

Charles Joseph Massimo and Peter Souren Anastasian in their role as registered representatives with Purshe Kaplan Sterling Investments (PKS) accept compensation for the sale of securities to CJM clients.

### ***1. This is a Conflict of Interest***

CJM and its supervised persons will accept compensation for the sale of securities or other investment products, including services fees from the sale of life insurance, annuities and mutual funds within 529 plans to its clients. This presents a conflict of interest and gives the supervised person and CJM an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which CJM receives compensation, CJM will document the conflict of interest in the client file and inform the client of the conflict of interest.

### ***2. Clients Have the Option to Purchase Recommended Products From Other Brokers***

Clients always have the option to purchase CJM recommended products through other brokers or agents that are not affiliated with CJM.

### ***3. Investment Management Fees are the Primary Source of Income for CJM***

Commissions are not CJM's primary source of compensation.

### ***4. Advisory Fees in Addition to Commissions or Markups***

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

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

CJM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

CJM generally provides management supervisory services to the following types of clients:

- ❖ High-Net-Worth Individuals
- ❖ Individuals
- ❖ Charitable Organizations
- ❖ Pension and Profit Sharing Plans
- ❖ Corporations or Business Entities

There is an account minimum of \$1,000,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

CJM's primary method of analysis is asset class investing.

Asset class investing can be described as utilizing the benefits of low cost institutional index funds to structure a portfolio based on a client's risk profile.

#### ***Investment Strategies***

CJM uses long term trading strategies.



Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

## **B. Material Risks Involved**

### *Methods of Analysis*

Asset class investing reduces the overall risk of a portfolio by eliminating the risk that an active manager will make a wrong decision based on market direction or security purchases within a mutual fund.

### *Investment Strategies*

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

## **C. Risks of Specific Securities Utilized**

CJM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

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

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Charles Joseph Massimo and Peter Souren Anastasian are registered representatives of Purshe Kaplan Sterling Investments (PKS). From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. CJM always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of CJM in their capacity as a registered representative.

#### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither CJM nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

#### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Charles Joseph Massimo and Peter Souren Anastasian are licensed insurance agents. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. CJM always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of CJM in their capacity as an insurance agent.

Charles Joseph Massimo also runs Autism Communities, Inc.

#### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

CJM does not utilize nor select other advisors or third-party managers.

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

#### **A. Code of Ethics**

CJM has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual

Review, and Sanctions. Clients may request a copy of the Code of Ethics from management.

## **B. Recommendations Involving Material Financial Interests**

CJM does not recommend that clients buy or sell any security in which a related person to CJM has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of CJM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of CJM to buy or sell the same securities before or after recommending the same securities to clients. Since CJM primarily recommends institutional class mutual funds, such transactions rarely create a conflict of interest. CJM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of CJM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of CJM to buy or sell securities before or after recommending securities to clients. Since CJM primarily recommends institutional class mutual funds, such transactions rarely create a conflict of interest. CJM will always transact client's transactions before its own when similar securities are being bought or sold.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

The Custodian, Pershing LLC, Schwab Institutional, a division of Charles Schwab & Co., Inc., and Matrix (for 401K plans), was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. CJM will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

CJM recommends Purshe Kaplan Sterling investments (PKS).

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

CJM receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

### ***2. Brokerage for Client Referrals***

CJM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

CJM allows clients to direct brokerage. CJM may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage CJM may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

#### **B. Aggregating (Block) Trading for Multiple Client Accounts**

CJM maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

## **Item 13: Reviews of Accounts**

#### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least monthly only by Charles Joseph Massimo and/or Peter Anastasian. Charles Joseph Massimo and Peter Souren Anastasian are the chief advisors and are instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at CJM are assigned to these reviewers.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly a written report that details the client's account which will come from the custodian.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

CJM may receive a referral fee and/or ongoing administrative fee from Artex Risk Solutions in regards to captive insurance for advice rendered to CJM clients.

### **B. Compensation to Non -Advisory Personnel for Client Referrals**

CJM may, via written arrangement, retain third parties to act as solicitors for CJM's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. CJM will ensure each solicitor is properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

## **Item 15: Custody**

CJM does not take custody of client accounts at any time. Custody of client's accounts is held primarily at Pershing LLC, Schwab Institutional, a division of Charles Schwab & Co., Inc., and Matrix (for 401K plans). Clients will receive statements from the custodian which should be reviewed carefully.

## **Item 16: Investment Discretion**

CJM provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client outlines the discretionary authority for trading. Where investment discretion has been granted, CJM generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, or the price per share

## **Item 17: Voting Client Securities (Proxy Voting)**

CJM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

CJM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither CJM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

CJM has not been the subject of a bankruptcy petition in the last ten years.