

**Crowley Wealth Management, Inc.**

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This brochure provides information about the qualifications and business practices of Crowley Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at 302-994-4700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Crowley Wealth Management, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Crowley Wealth Management, Inc. is considered a “registered investment adviser,” being a “registered investment adviser” does not imply a certain level of skill or training.

## **Material Changes**

No material changes to report as of 12-31-2023

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## **Advisory Business**

### **Investment Advisory Business:**

Crowley Wealth Management, Inc. (“Crowley”) is a Delaware corporation, founded in 1987, that offers investment advisory services to individuals, families, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and business entities.

The principal owners of Crowley are **Frederick J. Crowley, Jr.** (50% owner) and **Robert A. Crowley** (50% owner).

### **Frederick J. Crowley, Jr.**

#### **Date of birth:**

03/30/1956

#### **Education:**

University of Delaware, Newark, DE 1979  
Degree - BA Political Science

Widener University, Chester, PA 1985  
Degree - MS Taxation

University of Delaware, Newark, DE 1988  
Degree - BS Accounting

Widener University School of Law, Wilmington, DE 1999  
Degree - Juris Doctor

#### **Business Background:**

President – Crowley Wealth Management, Inc. (1980)

**Examinations/Professional Designations:**

1982 College for Financial Planning – Certified Financial Planner  
1999 Member of Pennsylvania Bar  
1999 Member of Delaware Bar

**Robert A. Crowley****Date of birth:**

03/15/1958

**Education:**

University of Delaware, Newark, DE 1980  
Degree - BS Marketing

George Washington University, Washington, D.C. 1985  
Degree – MBA Finance-Investments

Widener University School of Law, Wilmington, DE 1999  
Degree – Juris Doctor

**Business Background:**

Vice President – Crowley Wealth Management, Inc. (1983)

**Examinations/Professional Designations:**

1983 College for Financial Planning – Certified Financial Planner  
1985 State of DE – Real Estate Salesperson License – inactive status  
1990 Chartered Financial Analyst  
1992 State of DE – Real Estate Broker's License – inactive status  
2000 Member of Pennsylvania Bar  
2000 Member of Delaware Bar

Crowley offers two main types of advisory services. The first is an Investment Management Service and the second is a Financial Planning Service.

**Investment Management Service:**

The employees of Crowley set up meetings with clients to establish the goals and objectives for their account(s). They generally establish an asset allocation target. Any special circumstances regarding the account should be in writing and noted in the file.

The client will need to select a custodian. Once a custodial relationship is established, assets to be managed will be deposited in the custodial account.

Crowley has a custodial arrangement with Charles Schwab Institutional. Under this agreement, Crowley receives fees for its investment management services. Fees are negotiable, based upon a percentage of net assets under management and are paid quarterly.

Accounts are tailored to meet the asset allocation, risk tolerance, goals and objectives of the client. Individual asset selection is selected by Crowley.

**Financial Planning Service:**

The second type of advisory service includes the following – detailed fact finding with respect to the client’s present financial situation, which could include cash flow management, insurance management, investment planning, tax planning, retirement planning, and estate planning. Fringe benefits, personal financial documents and business agreements might also be reviewed. A client’s objectives, goals and needs are generally determined and discussed. A financial plan might be created, including a complete analysis in the following areas: cash management, insurance, investments, taxes, retirement planning and

estate planning. The plan may be presented to the client, questions and concerns may be discussed. A proposed implementation schedule may be presented outlining the steps for application of the recommendations. We offer to continue to provide normal ongoing consultation to the client regarding the plan during the contracted time period. The client may renew the financial advisory agreement on an annual basis. If the contract is renewed, financial updates may be prepared.

On occasion, Crowley may furnish advice to clients on matters not involving securities.

Crowley does not offer wrap fees.

As of December 31, 2023 Crowley manages \$350,375,743.14 on a discretionary basis and no assets on a non-discretionary basis.

## **Fees and Compensation**

### **Financial Planning Services:**

Fees for financial planning services are determined by the amount of time needed to service the client and fulfill the obligation of the contract. Fees generally range from \$2,000.00 to \$12,000.00 per year and are based on the particular needs of the client. Depending on a client's circumstances, fees may fall outside of this range. Annual fees are negotiable. The client may terminate the agreement without penalty and with a full refund within seven (7) business days from the agreement.

### **Investment Management Services:**

Fees for investment management services start at one (1) percent of the assets under management for \$1,000,000.00 or less. Fees are reduced to three quarters ( $\frac{3}{4}$ ) of one percent for assets above \$1,000,000.00. Fees are either deducted from the client's assets or billed directly to the client. Fees are paid in advance and billed quarterly based upon the value of the clients' assets on the last trading day of the quarter.

In addition, the client will incur costs, such as brokerage, custodial, and ancillary costs charged by their broker and/or custodian as well as transaction costs depending on their broker/dealer. For the client accounts that are invested in mutual funds and ETFs, the client also will bear any direct shareholder charges of the mutual fund and will indirectly bear internal mutual fund expenses. Fees paid to Crowley for advisory services are separate from the fees and expenses charged to shareholders of mutual funds or ETFs, or by the investment adviser managing those funds' assets. Clients should review the mutual fund or ETF prospectus for more information.



The advisory contract shall continue in effect until canceled by either party. A client has the right to cancel without penalty within five days of signing the advisory contract. Thereafter, cancellation shall be on 30 days written notice. If a client's advisory contract is terminated, fees are refundable for the balance of the quarter.

All fees for services are negotiable. As such, in certain cases, fees may be modified based on factors such as a pre-existing relationship, the nature of the services to be provided, types of investments, portfolio makeup, size of the account, and/or the complexity of the client's situation.

Crowley does not receive any additional compensation from the purchase or sale of securities.

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

Crowley does not accept performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client) or engage in side-by-side management (managing accounts that charge a performance-based fee alongside accounts charged another type of fee).

## **Types of Clients**

Crowley provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and business entities. The majority of Crowley's clients are individuals.

If an account is subject to the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), the plan sponsor or investment committee is typically a named fiduciary with respect to the control or advice of the assets in the account and Crowley acknowledges that it is a fiduciary within the meaning of ERISA.

There is not a minimum account size for new accounts.

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

Individual equity investments (stocks), individual bonds and mutual funds (both bond and stock) are the primary investment securities in which Crowley invests.

The adviser may invest in or advise clients to invest in equity securities (exchange-listed securities, securities traded over the-counter and foreign issuers), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, mutual fund shares), ETFs (both leveraged and unleveraged), United States government securities, options (both securities and commodities), futures contracts (on tangibles and intangibles), interest in partnerships (in real estate, oil and gas interests, equipment leasing, food franchising, cable television franchising, cattle and horse breeding, and movie syndications), real estate investment trusts and real estate investments.

Fundamental security analysis is the primary tool used to identify potential stock selections. Business cycles are identified, followed by the identification of industries with attractive growth and/or rebound potential. The primary strategy is to identify stocks in areas which are either out of favor or trading at attractive levels. Including the identification of stocks with the potential to increase their earnings and/or market share or ones which have low price to earnings ratios compared to industry averages. Technical analysis, charting and cyclical studies may be used to support the fundamental approach.

Fundamental security analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of securities can rise or

fall along with the overall market regardless of the economic and financial factors used to evaluate investments. Technical analysis does not consider the underlying financial condition of a company, which presents a potential risk as a financially unsound company may underperform regardless of market movement.

Mutual funds are generally selected by reviewing the track record; we look for consistent performance, stable management and prefer to select ones with lower expense ratios.

Investment in corporate debt securities is usually in the form of corporate bonds and these securities are generally rated investment grade or better.

Crowley also makes use of commercially available services concerning investments, such as research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases, taxation information, financial newspapers, periodicals, and issuer-prepared information. Outside consultants may also be employed to provide additional expertise in unique situations. The major sources of information used during stock selection are Value Line, U.S. Outlook, Moody's, Standard & Poor's, Barron's, and some advisory newsletters.

Most investment strategies are long term and the frequency of trading is generally low. Brokerage costs and other transaction costs are generally very low as compared to other more actively traded investment strategies. Short term investment strategies may be employed at certain times.

A risk of a long-term strategy is that, by holding a security, Crowley may not be able to take advantage of short-term gains that could be profitable for clients. A risk of a short-term strategy is that it involves more frequent trading and may result in higher brokerage and other transaction costs, as well as less favorable tax treatment of short-term capital gains.

Investing in securities involves risk of loss that all clients should be prepared to bear. Crowley generally discusses the risk of loss from investing with each client.

## **Disciplinary Information**

There are no legal or disciplinary events to disclose for Crowley or any members of Crowley's management team.

## **Other Financial Industry Activities and Affiliations**

Crowley has an Investment Management Service Agreement with Charles Schwab Institutional. Investment management clients are under no obligation to execute transactions through either Charles Schwab Institutional.

Frederick J. Crowley, Jr. and Robert A. Crowley are each equal owners and members of The Crowley Law Firm, LLC. Frederick J. Crowley, Jr. and Robert A. Crowley each own a 50% membership interest in The Crowley Law Firm, LLC. The Crowley Law Firm, LLC focuses on estate planning and estate administration.

The client is not required to use The Crowley Law Firm as a condition to the investment advisory contract.



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

Crowley Wealth Management, Inc. has a code of ethics adopted pursuant to SEC rule 204A-1 under the Investment Advisers Act of 1940. The code of ethics is designed to promote compliance with the relevant legal and fiduciary obligations to which Crowley is subject. A copy of the code of ethics is available to any client or prospective client upon written request.

Securities recommended to and/or purchased for clients' accounts may also be acquired by employees for their personal accounts. As such, at times the interests of employees may coincide with, or conflict with, the interests of clients' accounts. Because of this, all employee trades are reviewed on a periodic basis to ensure that front-running and other potential conflicts can be prevented. In addition, the code of ethics requires pre-clearance of certain transactions and regular reporting to Crowley's chief compliance officer, which is intended to ensure that employees do not benefit from client's transactions.

## **Brokerage Practices**

Crowley does not recommend, request or require clients to direct it to execute transactions through a specified broker-dealer. Certain clients may choose to direct Crowley as to the broker-dealer to be used. In those instances, Crowley will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Where Crowley recommends broker-dealers, it does so based upon several factors: transaction costs, speed and quality of execution, level of service, recordkeeping and reporting capabilities, trading platforms offered, ability to meet client needs, and other research information available. Brokerage commissions, transaction costs and any other fees charged by broker-dealers are set by the broker-dealer, not Crowley. Crowley does not receive compensation from brokers. Crowley does not receive brokerage for client referrals.

### **Soft Dollars**

Consistent with the duty to seek best execution, brokerage commissions on client accounts' portfolio transactions may be directed to broker-dealers in recognition of research furnished by them, as well as for services rendered in the execution of orders by such broker-dealers. The commissions used to acquire research or services in these arrangements are known as "soft dollars." A statutory "safe harbor" – Section 28(e) of the Securities Exchange Act of 1934 – allows an investment adviser to use soft dollars to acquire such research and services. When Crowley uses soft dollars, it receives a benefit because it does not have to produce or pay for the research or services itself. Crowley therefore may have an incentive to select or recommend a broker-dealer based on its interest in receiving research or other products or services, rather than on

the advisory clients' interest in receiving most favorable execution. In seeking best execution, the determinative factor is not solely the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker/dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Research and execution services obtained with soft dollars are not necessarily used for the specific account that generates the soft dollar credit. Crowley does not attempt to allocate the relative costs or benefits of research among client accounts because it believes that, in the aggregate, the research it receives benefits all clients and assists Crowley in fulfilling its overall duty to all of its clients.

### **Trading Practices**

Crowley aggregates orders for its client accounts whenever possible to minimize execution costs and obtain best execution for clients. When Crowley enters an aggregated order, the allocation of securities among participating clients will be completed prior to the time at which the order is entered and according to the designations made by the Managers. In order to ensure that no client is systematically disadvantaged, each client participating in an aggregated order will receive the average share price for the transaction, and each client will share transaction costs on a pro-rata basis based upon the client's level of participation in the order. Generally, if an aggregated order is partially filled, each participating client will receive a pro-rated portion of the securities based upon the client's level of participation in the order. Because client accounts are individually managed, it is often not possible to aggregate orders.

## **Review of Accounts**

### **Financial Planning Service:**

Certain clients request a detailed comprehensive financial plan. For those clients, the plan will be presented to the client along with a proposed implementation schedule outlining the steps for application/implementation of the recommendations. An ongoing normal consultation is available to the client regarding the implementation of the recommendations for the contracted period. The agreement is generally for one year unless amended. The agreement can be renewed at the expiration of the contracted period.

### **Investment Management Service:**

Investment management accounts are reviewed on a regular basis. Reviews with the client are based on the client's needs. Timing of meetings generally will be mutually agreed upon by the client and Adviser. Frederick J. Crowley, Jr. and/or Robert A. Crowley (the principals) generally conduct reviews of accounts. The client receives monthly statements from the custodian.

## **Client Referrals and Other Compensation**

Crowley does not have any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment, or non-research services) from a non-client in connection with giving advice to clients.

Crowley does not directly or indirectly compensate any person for client referrals.

## **Custody**

The advisory contract and/or the separate agreement with any financial institution generally authorizes Crowley to debit client accounts for payment of our fees and to directly remit those funds to us in accordance with applicable custody rules. The financial institutions that act as the qualified custodian for client accounts, from which we retain the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly. The statements detail all account transactions, including any amounts paid to Crowley.

The custodians maintain actual custody of your assets and will send account statements to the email or postal mailing address you provide to them. You should carefully review those statements promptly when you receive them to review and verify activities including contributions and distributions reported in accounts. We urge you to compare the accounts statements you receive from your custodian with any documents or reports you receive from us or an outside service provider. If any discrepancies are noted, you should immediately report the findings to Crowley and/or your custodian.

## **Investment Discretion**

Crowley accepts discretionary authority to manage securities accounts on behalf of clients. There are generally no limitations on this authority. If any client requires any restrictions on any types of investments, the client must inform Crowley of the restrictions in writing. A written Investment Management Agreement is signed by both the client and Crowley. The client will be provided a copy of the Investment Management Agreement.

## **Voting Client Securities**

Crowley does not have the authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent. Clients can contact our office with general questions regarding proxies or solicitations.



## **Financial Information**

N/A as of 12/31/23

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

N/A as of 12/31/23