

# **BROCHURE**

(Form ADV Part 2A)



**CHANCELLOR**  
**WEALTH MANAGEMENT**

## **Chancellor Wealth Management, Inc.**

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**March 30, 2024**

This brochure ("Brochure") provides you with information about the qualifications and business practices of Chancellor Wealth Management, Inc. It contains information that you should consider before becoming a client of our firm. If you have any questions about the contents of this Brochure, please email or call the contact person listed above.

The information contained herein has not been approved or verified by any governmental authority. Our firm is an investment advisory firm registered pursuant to the laws of the U.S. Securities and Exchange Commission. Registration of an investment advisor does not imply a certain level of skill or training. We have only filed the requisite registration documents in the proper jurisdictions and with the respective governmental entities.

Additional information about Chancellor Wealth Management, Inc. (CRD No. 112918) can be found on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by a search using the firm's CRD number.

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## **MATERIAL CHANGES (Item 2)**

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### **Chancellor Wealth Management Material Changes**

**This version of our Brochure, dated March 30, 2024, is our annual amendment. The following are the material changes to our business practices since our last amendment in March of 2023:**

#### **Advisory Services (Item 4)**

##### *Assets Under Management*

We have updated our assets under management as required by regulations. As of December 31, 2023, our firm managed a total of \$132,254,289 in client assets; \$117,646,268 is managed on a discretionary basis, and \$14,608,021 on a non-discretionary basis.

#### **General Revisions**

We have revised some language and content to ensure that our disclosures are concise and unambiguous.

#### **Full Brochure Available**

The foregoing summarizes the annual amendments in our Brochure. If you have questions about the most recent updates or would like a full copy of our Brochure, please contact us by telephone at (770) 661-0283 or by email at vince@chancellorwealth.com.

Please also note that additional information about Chancellor Wealth Management, Inc. (CRD No. 112918) can be found on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by a search using the firm's CRD number.

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## ADVISORY SERVICES (Item 4)

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### About Our Business

Chancellor Wealth Management, Inc. (also referred to herein as “we,” “us,” or “our”) is a wealth management company that provides financial planning and investment management services. Our firm is a Georgia-domiciled corporation located in Atlanta, Georgia. We have been providing advice to our clients since 2002.

The corporate principals of our firm are Mr. Herschel Vincent (Vince) Clanton, President, and Mr. Scott Taylor Clanton, Vice President. Vince Clanton and Scott Clanton are the firm’s investment advisor representatives. Mr. Vince Clanton is our firm’s chief compliance officer.

### Types of Advisory Services

Our firm provides comprehensive financial planning and investment management services to individuals and high net worth individuals. We assist clients in planning for their financial future and growing their investments. A detailed explanation of our services is as follows:

#### **1. Financial Planning Services**

We provide modular and comprehensive financial planning services. Client data is evaluated thoroughly to formulate comprehensive financial plans (long-term goals) or plans for specific financial planning events (short-term goals). Our plans may include information relative to retirement planning, advanced education planning, college planning, or plans for major purchases, as well as life, health, disability, and long-term care insurance needs.

Our financial planning advice typically involves providing various services, principally advisory in nature, regarding managing a client’s financial assets based on an analysis of each client’s individual needs. We conduct a complimentary initial consultation to collect pertinent information about the client’s financial circumstances, goals, and objectives. The information collected typically covers current (and anticipated) assets and liabilities, including savings, investments, anticipated retirement, or other employment benefits and insurance. Our financial planning process involves organizing and assessing all relevant data and identifying financial goals and objectives. The primary objective of this process is to allow our firm to assist a client in developing a strategy for the successful management of income, assets, and liabilities while meeting financial goals and objectives. Once such information has been reviewed and analyzed, we prepare a written financial plan to achieve a client’s stated financial goals and objectives.

The written financial plan generally includes recommendations for a course of activity or specific actions. For example, we may recommend that a client establish an individual retirement account, increase or decrease funds in savings, invest funds in securities, obtain insurance, or revise existing insurance coverage. We may develop or include tax and estate planning matters or make a referral to an accountant or attorney for other professional services. Clients are responsible for engaging these professionals directly on an as-needed basis.

Financial plans are prepared based on information a client provides about his/her particular financial situation. It is a client’s responsibility to notify us promptly if there are changes in the noted financial situation, needs, goals, or objectives.

We will not be responsible for implementing or supervising recommendations in the written financial plan prepared by our firm unless a client enters into a separate agreement for investment management services.

Please note that clients are not obligated to implement our financial planning recommendations. Moreover, if a client elects to implement our financial planning advice, there is no obligation to implement the recommendations through our firm. Clients may implement recommendations with any professional advisor.

Clients who agree to enter into a separate engagement for investment management services are advised that our receipt of fees for financial planning services and investment management services creates conflicts of interest due to the receipt of advisory fees for both services.

We mitigate the conflicts of interest associated with our firm receiving advisory fees for both financial planning services and investment management services by reducing the financial planning fee to a fixed fee if our firm is engaged for investment management services.

#### **2. Investment Management Services**

We provide discretionary investment management services to meet a client’s financial goals and investment objectives. If retained for investment management services, we meet with clients to gather additional

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information regarding specific investment goals, objectives, risk tolerance, time horizon, and other relevant suitability information.

We use the information gathered to develop a strategy that enables our firm to provide continuous and focused investment advice. We provide advice regarding mutual funds, exchange-traded funds, money market mutual funds, closed-end funds, and other investment company securities. We primarily recommend mutual funds, exchange-traded funds, and other investment securities to implement our investment management strategies and determine personalized asset allocations. If applicable to a client's holdings, our investment management services will also apply to clients' 529 plans, 401(k) accounts, or other retirement savings assets.

### **3. Retirement Plan Advisory Services**

We provide non-fiduciary consulting services to plan participants of ERISA employer-sponsored retirement plans ("retirement plans"). Our services consist of educational services that assist plan participants in understanding investment options offered by retirement plans. We also provide education regarding selecting and allocating the retirement plan's available investment options. Our services also include plan fee and expense evaluations and general assistance with group enrollment meetings.

### **4. Third-party Asset Management Services**

We analyze and select advisory platforms of other investment advisors with managed strategies to meet our client's financial objectives. These other investment advisors are third-party asset management platforms and institutional advisors offering managed portfolios through specific platforms that focus on particular investment models, styles, and strategies. We access these platforms by endorsement (solicitor's) arrangements or sub-advisory agreements.

We monitor the strategies offered through third-party asset management platforms to ensure that the objectives align with a client's investment objectives and risk tolerance. By authorization incorporated in the service agreement, third-party asset management platforms are granted discretionary authority to manage a client's assets. We are responsible for ongoing rebalancing and continuous monitoring of our client's assets managed by these platforms. We currently offer third-party asset management services through the following platform(s):

#### Sage Advisory Services, Ltd. Co.

Sage Advisory Services, Ltd. Co offers fixed income investment strategies for clients whose objectives range from cash management to after-tax total return and high after-tax total income. The strategies include but are not limited to short, intermediate, and core durations in U.S. Treasury debt, tax-exempt municipal general obligation debt, and tax-exempt municipal revenue debt.

We reserve the right to use other or additional third-party asset management platforms.

### **Tailored Services**

Our advice and services are based on the individual needs of a client after analyzing and thoroughly evaluating the client's goals, objectives, investment horizon, and risk tolerance. Clients may impose restrictions on investing in certain asset classes or specific types of securities by advising their investment advisor representative of such limitations.

### **Wrap Fee Programs**

We are not a participant in any wrap fee program.

### **Assets Under Management**

As of December 31, 2023, our firm managed a total of \$132,254,289 in client assets; \$117,646,268 is managed on a discretionary basis, and \$14,608,021 on a non-discretionary basis.

## **FEES AND COMPENSATION (Item 5)**

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### **Advisory Fees**

We earn fees and compensation by offering financial planning solutions, preparing financial plans, constructing investment portfolios, recommending managed investment strategies, and providing educational support services to retirement plans. Our fees for services are as follows:

#### **1. Financial Planning Services**

Our initial consultation for financial planning services is complimentary. Our hourly and fixed fees are as indicated below:

(a) Hourly Fees

If, after the complimentary session, a client chooses to have us prepare a written financial plan, an hourly rate of \$400 will apply. The average financial plan takes approximately ten (10) hours to complete and costs \$4,000. The final planning fee will depend on the complexity of a client's financial situation and the details required for the financial plan. We will sign an agreement identifying a "not to exceed" fee for the financial plan. Upon execution of our agreement, clients pay \$500 of the estimated fee as a deposit, and the remaining balance is due when we present the planning recommendations. Our hourly fee is non-negotiable, and the deposit is non-refundable after five (5) business days of signing our financial planning agreement.

(b) Fixed Fees

If we present the written financial plan and a client chooses to use our investment management services to implement the financial plan, we will reduce the fee for financial planning services to a fixed fee of \$500. Please note that our fixed fees are non-negotiable.

## **2. Investment Management Services**

Our fee schedule for investment management services is as follows:

<b>Assets Under Management</b>	<b>Annual Rate</b>
\$ 100,000 - \$ 500,000	1.50%
\$ 500,001 - \$ 750,000	1.25%
\$ 750,001 - \$ 2,000,000	1.00%
\$ 2,000,001 - \$ 5,000,000	.80%
\$ 5,000,001 - \$10,000,000	.60%
\$10,000,001 - \$20,000,000	.50%
\$20,000,001 or more	.40%

### **Sample Fee Calculation**

Value of Investments \$2,275,000

\$2,275,000 @.008

Annual Fee of \$18,200 | Quarterly Fee of \$4,550

Our fee schedule for investment management services is non-negotiable; the final fee is outlined in our investment advisory agreement. Notwithstanding the foregoing, we reserve the right to assess a lesser investment management fee based upon certain criteria (e.g., the anticipation of additional assets, the dollar amount of assets to be managed, related accounts, account composition, specific memberships, affiliations, etc.) that we deem pertinent. Accordingly, some clients may have lower advisory fees than the stated fee schedule.

## **3. Retirement Plan Advisory Services**

Our non-fiduciary retirement plan consulting services fees are assessed at an annual rate of up to 1%. The fees are based on a percentage of the market value of includable retirement plan assets. Our fees for retirement plan advisory services are negotiable.

## **4. Third-party Asset Management Services**

The aggregate advisory fees for third-party asset management services range up to 2% per annum, depending on the program. The aggregate fees include our advisory fees and third-party asset management platform fees. Advisory fees are based on the value of the account(s) and the rate determined by the fee schedule of the third-party asset management platform as outlined in its Form CRS, brochure, management agreement, and other disclosure documents.

## **Billing Procedures**

Our specific billing procedures are as follows:

### **1. Financial Planning Services**

Clients pay the \$500 deposit by check at the time of signing our financial planning agreement. The remaining balance is due after the written financial plan or recommendations are delivered.

More importantly, clients who elect to use our firm to implement the financial plan (i.e., utilize our investment management services) will only incur a fixed fee of \$500 for preparing the financial plan. That is, after making the deposit for financial planning services, no additional fees are due.

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## **2. Investment Management Services**

Advisory fees for investment management services are due and payable quarterly in advance (i.e., at the beginning of each calendar quarter). Accordingly, we transmit our advisory fee calculations electronically to the account custodian on or shortly after the beginning of each calendar quarter. Advisory fees due for any period of less than one calendar quarter shall be calculated based on the number of days remaining in the quarter as of the day the assets are transferred or deposited into the account. Fee assessments are based on the value of the investment assets and cash equivalent positions as of the close of trading on a national securities exchange, the principal market where securities are traded, or the most recent appropriate fair market quotation as supplied by the account custodian or clearing broker as of the last day of the previous calendar quarter. Also, billing valuations for fixed income securities often include accrued interest. Further, no fee adjustments will be made for additional deposits or partial withdrawals during any quarter. Unless directed otherwise, we use the aggregate value of all accounts for each client (i.e., household) for billing purposes.

Our advisory fees are generally deducted directly from the account(s) specified by the client. We are authorized to deduct fees by clients' written authorization, which is incorporated in our investment management agreement. In instances of direct fee deduction, advisory fee calculations are sent to the account custodian, and an advisory fee recap is sent to the client.

Clients also have the option of paying investment management fees by check. If a client has agreed to pay advisory fees by check, payments are due within thirty (30) days of receipt of our advisory fee invoice.

Due to differences in valuation dates (trade date versus settlement date), application of credits for accrued income, and/or accrued interest, if applicable, values used for advisory fee billing can be higher or lower than the values shown on the account custodian's statement. Please note that clients are responsible for verifying the accuracy of the advisory fee calculations. All fees are subject to review and revision at any time. Clients will receive advance notice of any fee change effectiveness.

## **3. Retirement Plan Advisory Services**

Our retirement plan advisory services fees are due and payable quarterly in advance. Plan sponsors generally provide written authorization for our advisory fees to be deducted directly from the plan assets for direct remittance to our firm.

## **4. Third-party Asset Management Services**

Fees for third-party asset management services are due and payable quarterly in advance at the rate of twenty-five percent (25%) of the annual fee (depending on the program). Advisory fee assessments are based on the value of the assets in the account(s) on the last day of the previous calendar quarter. Pursuant to the client's written authorization incorporated into the third-party asset management agreement, the third-party asset management platform deducts the aggregate advisory fee directly from the specified client account(s) and remits our portion to us. We do not charge any additional fees for recommending third-party asset management platforms. The aggregate advisory fee, based on the initial investment, is outlined in our investment management agreement.

## **Other Fees & Expenses**

Clients will also incur additional third-party fees and expenses ("third-party fees") related to managing investments and advisory service provisions. These fees may include but are not limited to no-load mutual fund ticket charges, brokerage transaction costs, deferred sales charges on previously purchased mutual funds, individual retirement account (IRA) maintenance fees, and other legal or transfer fees. The account custodians, broker-dealers, mutual fund companies, and others who provide account services charge these fees, and clients are responsible for payment of all third-party fees and expenses. Although, as of the date of this Brochure, our account custodian does not charge transaction costs for trades in equity securities (i.e., stocks, exchange-traded funds, etc.). There are, however, transaction fees for mutual funds. The typical transaction fee is \$15.

Additionally, there are more expenses when client assets are invested in mutual funds, exchange-traded funds, money market mutual funds, closed-end funds, and other investment company securities. These are direct internal expenses of the investment company that issues the security but a cost borne by investors (clients). The specific fees and expenses are outlined in each mutual fund company prospectus.

Advisory fees paid to our firm are separate from the third-party fees detailed above. Please also refer to Item 12, Brokerage Practices, for information regarding the qualified account custodian that provides custody and safekeeping services for our clients' accounts.

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## Refund Policy

Clients may terminate our advisory agreements at any time by providing our firm with thirty (30) days' advance written notice. Likewise, in the event we need to initiate the termination of an advisory agreement, we will provide the client with thirty (30) days' advance notice.

Upon receiving a client's termination request, we will assess fees pro-rata, if applicable, to the date of termination. We will refund any unearned portion of prepaid fees within fourteen (14) business days. Balances due for unpaid fees will be collected prior to the disbursement of funds, if applicable. If we are unable to deduct final fees from the client's advisory account(s), such as in the case of an account transfer, we will transmit a final advisory fee invoice to the client, which is due upon receipt. Clients pay final advisory fee invoices by mailing a check to our address.

Notwithstanding the refund policy above, advisory engagements for third-party asset management services generally require at least sixty (60) days advance written notice to terminate services. Upon receiving a client's termination request, we will inform the third-party asset management platform and ensure that fees are assessed pro-rata, if applicable.

## Other Compensation

Neither our firm nor investment advisor representatives accept any compensation for the sale of securities. Our investment advisor representatives are not registered in any securities sales capacity.

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## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT (Item 6)**

We do not charge performance-based fees or conduct side-by-side investment management services.

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## **TYPES OF CLIENTS (Item 7)**

We generally advise individuals, high net worth individuals, pensions, profit-sharing plans, and endowments.

Our firm requires a minimum account value of \$100,000 but will accept accounts of lesser value. However, please be advised that accounts of smaller value are more difficult to diversify and rebalance and may not experience the same performance as accounts valued at \$100,000 or more.

Also, third-party asset management platforms recommended through third-party asset management services typically have minimum investment requirements that vary according to the program.

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## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS (Item 8)**

### Methods of Analysis and Investment Strategies

We utilize the risk tolerance module of our financial planning software, MoneyGuidePro, a division of Envestnet, to obtain risk tolerance data and generate suggested model portfolios based on a client's response to our inquiries. The questionnaire is designed to discern a client's maximum tolerance for risk. MoneyGuidePro analyzes mutual funds using a return-based approach to determine the representative composition of funds by individual asset class. When a client holds a legacy position in stock, MoneyGuidePro also assigns an appropriate asset class to individual stocks. Once a client's maximum risk tolerance profile has been established, we discuss model portfolios that may be suitable. Each model recommends an income-to-equity ratio of assets for a client's account(s). Each of the portfolios identifies multiple domestic and global market sectors. Asset allocation is a key component of investment portfolio design. We believe that the appropriate allocation of assets across diverse investment categories (stock vs. bond, foreign vs. domestic, large-cap vs. small-cap, high quality vs. high yield, alternative vs. traditional) is a major determinant of portfolio returns and critical to the long-term success of any client's financial objectives.

In our investment management strategies, we primarily use mutual funds. We use actively and passively managed mutual funds. Passively managed mutual funds are sometimes referred to as index funds. Generally, index funds use a computer program or algorithm to arrange the stock or bond holdings that replicate the holdings of a specific index. There is no interaction with a human to make decisions to buy or sell holdings within the fund, therefore, expenses are very low. Conversely, actively managed mutual funds have teams of portfolio managers to analyze companies or bonds and make decisions about which holdings to buy or sell. Actively managed mutual funds also determine the investment objective of the mutual fund and the process for making regarding what holdings to buy or sell. The costs and expenses for actively managed mutual funds are



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higher due to the cost incurred to source relevant information and pay portfolio managers to analyze the information. In order for an active manager to provide value over a passive or index fund, their performance results must be large enough to overcome the incremental costs associated with active management. Actively managed mutual funds will be assessed periodically against other comparable funds. A pattern of poor performance over time will result in the mutual fund being eliminated from our strategy.

When implementing our strategies, we select index funds to represent certain categories of investments for portfolio holdings. Examples might be Large Market Capitalization Companies (Large Cap), Mid-Size Market Capitalization Companies (Mid Cap), or Small Market Capitalization Companies (Small Cap). We also, at times, use index funds for allocations to fixed income investments, such as bonds. Examples might be a short-term bond index fund or an intermediate-term bond index fund. We use more actively managed funds than passively managed funds in constructing a portfolio, with the objective of improving investment results over those that would occur with a completely passive portfolio.

Clients may impose restrictions; however, restrictions and stringent guidelines may affect the composition of portfolios. Our services do not encompass traditional buy-and-hold stock strategies, but clients may direct that a particular security be purchased or held in the account(s). We will accommodate such requests without taking responsibility for the performance of that security.

One of the most important criteria we analyze is the cost-effectiveness of the underlying investments in the portfolio. During the selection process, we consider the fees and other expenses of passively managed mutual funds that could affect returns. We evaluate mutual funds for risk and return over varying periods against comparable funds using Investment View Plus by Refinitiv.

Once a portfolio has been fully invested, we will generally remain invested at all times, as we believe that market timing does not add value to the investment management process. We will generally manage low-turnover portfolios. We believe that frequent trading produces negative results due to high transaction costs and adverse realization of gains or losses. We utilize the discipline of rebalancing portfolios as market results create portfolios that are inconsistent with the asset allocation of the model portfolio. Additionally, any significant future cash inflows will be invested in the portfolio over a period of six to ten months.

While we prefer mutual funds with lower fees, when certain market conditions exist, we will also use alternative mutual funds. Based on a client's financial circumstances and investment goals, we may allocate a portion of the portfolio to alternative mutual funds. Our firm currently uses one alternative mutual fund strategy but will consider others that we deem appropriate for an allocation.

We currently buy alternative mutual funds that invest in a composite of financial and commodity derivatives that provide exposure to the global financial market and commodity price trends. The strategy seeks to capture the persistence of price trends (up and/or down) observed in global financial markets and commodities by allocating assets to futures contracts that are positioned either long or short based on various characteristics related to their prices.

After implementing the client's investment strategy, we monitor the performance of the portfolio(s) on an ongoing basis.

## Material Risks of Methods of Analysis and Investment Strategies

We utilize conventional analysis methods and investment strategies, but even so, there remains some level of material risk. Performance and capital preservation are not guaranteed; changing market conditions create the necessity to continuously re-evaluate each position held in the portfolio.

### **INVESTING IN SECURITIES INVOLVES A RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR.**

Clients should know that all securities and investment strategies have various types of risks. While it is impossible to name all potential risks associated with our specific methods of analysis and investment strategies, some risks are as follows:

- **General Market Risk.** Markets can, as a whole, go up or down on various news releases or for no explanation. This uncertainty means that, at times, the price of specific securities could go up or down without real reason and may take some time to recover any lost value. Adding additional securities may not help minimize this risk since market fluctuations affect all securities. Market fluctuations will ultimately affect a client's portfolio holdings.

- **Interest Rate Risk.** Changes in interest rates will affect the value of a portfolio's holdings invested in fixed income securities. The value of fixed income securities is more inclined to decrease as interest rates increase. This decrease in value may not be offset by income from new investments or other portfolio holdings. Interest rate risk is generally greater for fixed income securities with longer maturities.
- **Inflation Risk.** This risk develops when any type of inflation is present, and a dollar will be worth more today than a dollar next year because purchasing power is eroding at the rate of inflation. Inflation risk can affect the value of a client's investment or portfolio holdings.
- **Currency Risk.** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. Change in the value of the dollar is also referred to as exchange rate risk.
- **Reinvestment Risk.** Involves the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This risk primarily relates to fixed income securities.
- **Financial Risk.** All companies have exposure to financial risks. Excessive borrowing to finance business operations decreases profitability because the company must meet the terms of its financial obligations in good and bad economic times. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or declining market value of a company's securities. All businesses are susceptible to financial risks at some point in a business cycle. When we invest in companies with excessive debt, the financial risk of that company could negatively affect a client's portfolio holdings.
- **Time Horizon Risk.** A client may require the liquidation of portfolio holdings earlier than the anticipated time horizon. If liquidations occur during a period when portfolio values are low, the client will not realize as much value as the client would have, had the portfolio holdings had an opportunity to gain value (or regain its value) as investments frequently do.
- **Liquidity Risk.** Liquidity is the ability to convert an investment into cash readily. Some investments are highly liquid, while others are illiquid. For example, Treasury Bills are highly liquid, while real estate is not. Illiquid investments carry more risk than other securities because selling or liquidating such investments at a fair market price can be difficult.
- **Equity Securities Risk.** Equity securities, such as common stocks, are subject to changes in value attributable to the market perception of a particular issuer or general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than other types of investments.
- **Fixed-Income Securities Risk.** Fixed-income securities include traditional debt securities issued by corporations, such as bonds, debentures, and our debt securities that are convertible into common stock and/or equity interests. The market value of fixed-income securities is sensitive to changes in interest rates. Generally, when interest rates rise, the value of fixed income securities declines, and when interest rates decline, the value increases.

Usually, the longer the remaining maturity of a fixed income security, the greater the effect of interest rate changes on the market value. In addition, changes in the issuer's ability to make payments of interest and principal and the market's perception of an issuer's creditworthiness can affect the market value of its fixed-income securities. Fixed-income securities may also be subject to yield curve risk.

Additionally, fixed-income securities are subject to inflation risk, liquidity risk, and reinvestment risk. Inflation risk is the risk that inflation will erode the purchasing power of the cash flows generated by debt securities. Fixed-rate debt securities are more susceptible to inflation risk than floating-rate debt securities. Liquidity risk is the risk that certain fixed income securities may be difficult to sell at a particular time or at an acceptable price, which may cause a client's portfolio to hold these securities for longer periods than planned or forgo other investment opportunities.

- **Investment Company Securities Risk.** Investments in investment company securities such as mutual funds, exchange-traded funds ("ETFs"), and closed-end mutual funds have risks. This risk disclosure focuses on mutual funds and closed-end mutual funds. See specific details regarding the risks associated with ETFs below. The risks associated with investing in mutual funds and closed-end mutual funds involve substantially the same risks as investing directly in the underlying securities (i.e., general market risks, interest rate risks, financial risks, time horizon risks, liquidity risks, etc.). There are also risks that mutual funds and closed-end mutual funds may not achieve their investment objective or execute their investment strategy effectively, which may adversely affect the performance of a client's portfolio.

Additionally, clients pay a pro-rata portion of the fees, expenses, and taxes associated with investment company securities, which will likely impact the value of a client's portfolio holdings.

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- **Exchange-Traded Funds (ETF) Risk.** Risks associated with investing in exchange-traded funds (ETFs) may be unrecognized. ETFs are offered for all asset classes, industries, sectors, markets, etc.; nonetheless, there are two (2) general management styles for ETFs: passive and active.

*Passively Managed ETFs* represent an interest in a portfolio of securities designed to track an underlying benchmark or index. These ETFs typically seek to track an underlying benchmark or index; the ETF may or may not hold all securities in the underlying benchmark or index. ETFs are also subject to price variations. ETFs trade throughout the day, and market prices are generally at or near the most recent net asset value (NAV). However, certain market inefficiencies may cause the shares to trade at a premium or discount to the stated NAV. For example, a high volume of market sales may cause ETFs to trade below the value of the underlying NAV.

*Actively Managed ETFs* are designed to outperform an index. These portfolios generally expose a high percentage of net assets to a fixed list of investments (e.g., U.S. exchange-listed equity securities, U.S. exchange-traded funds that provide exposure to U.S. exchange-listed equity securities, U.S. exchange-listed equity securities of non-U.S. issuers, including the securities of non-U.S. issuers traded on U.S. exchanges in the form of depository receipts, etc.). The ETF may also have exposure to futures, other derivatives, and long and short positions, which may not perform as expected. These securities are subject to the risk that they may not effectively outperform an index, industry, or other markets it intends to outperform. In addition to the risk that expenses of the portfolio reduce returns, there is the risk that ETF portfolio managers' strategies are unsuccessful, that the investment is illiquid, has low trading volume, and may not perform as expected, thereby resulting in losses.

Moreover, as with any security, there is no guarantee that an active secondary market for such ETF shares will continue to exist. Also, the redemption of ETFs can be limited. Only an authorized participant (generally broker-dealers that act as liquidity providers) may engage in the creation or redemption transactions of an ETF. Furthermore, ETFs typically have a limited number of broker-dealers that may act as authorized participants. To the extent that authorized participants exit the business or are unable to proceed with creation or redemption orders, and no other authorized participant can step forward, the liquidity of an ETF is likely to be impacted and could face trading halts or delisting.

- **Risk Related to Alternative Mutual Funds.** Alternative mutual funds typically hold non-traditional investments and/or use complex trading strategies. There are higher internal fees and expenses related to alternative mutual funds. The underlying non-traditional investments will likely have more significant risks, and the complex strategies will likely result in higher costs and greater expenses than traditional mutual funds. Many alternative mutual funds use trading strategies to minimize volatility in the value of their investment holdings, including but not limited to spreading their holdings among different non-traditional asset classes. As a result of the volatility in the underlying securities, alternative mutual funds can offer greater diversification or higher returns than more traditional holdings in individual stocks, bonds, and cash.

Nonetheless, that same volatility may cause the value of alternative mutual funds to be more susceptible to price fluctuations. Also, since alternative mutual funds retain discretion over the final allocation of underlying securities, which may include positions that differ from the stated target allocation, there is the risk that the alternative mutual fund will not achieve its investment objective.

- **Asset Allocation Risk.** The asset classes represented in a client's portfolio holdings can perform differently from each other at any given time, as well as over the long term. A client's portfolio holdings will be affected by the allocation among equity securities (e.g., mutual funds and exchange-traded funds, etc.) and cash equivalents. If any asset class that comprises a client's holdings underperforms, the performance of other asset classes may suffer.
- **Concentration Risk.** Our investment strategies utilize high concentrations of equities. Investing in growth assets, specifically equities, is inherently risky, but to an even greater degree than fixed income investments. Equities and other high-volatility asset classes are unforgiving if time horizon, risk tolerance, and financial needs are not considered. Client accounts invested in high concentrations of certain securities generally lack diversification, leading to higher degrees of risk.
- **Regulatory and Governmental Risk.** Changes in laws and regulations can change the value of securities. Certain industries are more susceptible to government regulation. If portfolio holdings are invested heavily in a particular sector or industry, correlating zoning changes, tax structure, or specific industry regulations could impact returns or holdings.
- **Risk Related to Public Health Issues.** Our advisory business could be adversely affected materially by pandemics, epidemics, and global or regional outbreaks of disease, such as COVID-19, Ebola, H1N1 flu,

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H7N9 flu, H5N1 flu, or Severe Acute Respiratory Syndrome (SARS). More specifically, COVID-19 has spread rapidly worldwide since its initial emergence in December 2019 and has severely affected (and may continue to adversely affect) the global economy and equity markets. Although we are unable to predict the long-term effects or consequences of COVID-19 or other epidemics, pandemics, and outbreaks of disease, previous occurrences of other pandemics, epidemics, and outbreaks of disease have had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent.

Significant public health issues, including any occurrence or recurrence (or continued spread) of an outbreak of any epidemic, communicable disease, or virus, could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect our advisory business, financial condition, and operations. Should these or other major public health issues arise or spread further (or continue to spread or materially impact the day-to-day lives of persons around the globe), our firm could be adversely affected by more stringent travel restrictions, additional limitations on operations, or business and/or governmental actions limiting the movement of people between regions and other activities or operations.

- **Reliance on Advisor.** The performance of clients' portfolio holdings depends on the skill and expertise of our staff to make appropriate investment decisions. The success of client portfolios depends on our firm's ability to develop and implement investment strategies and apply investment techniques and risk analyses to achieve a client's investment objectives. Our firm's subjective decisions may cause portfolios to incur losses or to miss profit opportunities that may otherwise have been capitalized. For example, our portfolios may include customized investment features that impact the implementation of specific strategies.
- **Business Continuity Risk.** Our advisory activities may be adversely impacted by a significant business disruption, unforeseeable event, or natural disaster that causes a total or partial outage affecting our offices or a technical problem affecting applications or networks. Service providers may also fail to perform, and our ability to conduct business may be curtailed by any disruption in the infrastructure that supports our operations.

To mitigate such risks, we have adopted a business continuity plan to implement recovery strategies designed to maintain critical functions and limit the impact of any business interruption or disaster on client activities or business transactions.

- **Cybersecurity Risk.** Our firm is dependent on information technology, telecommunication, and other operational systems, including internal systems and/or systems dependent on or provided by third-party service providers, such as account custodians and other parties to which our firm relies for the provision of advisory services or business operations.

If these systems are disabled or fail to operate as a result of events or circumstances, our ability to operate successfully could be severely compromised. Further, despite the implementation of a variety of risk management and security measures, our systems and those provided by service providers could be subject to unauthorized access or other security breaches, thereby failing to maintain the security, integrity, and confidentiality of such data.

Cybersecurity breaches or technology failures that affect our advisory services or service providers' offerings can cause material disruptions to our operations, potentially causing clients to experience financial losses, the inability to access advisory accounts, and other damages.

Notwithstanding the method of analysis or investment strategy employed by our firm, the assets within a portfolio are subject to the risk of devaluation or loss. We want clients to be aware that many different events can affect the value of assets or portfolio holdings, including but not limited to changes in the financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters. While this information provides a synopsis of the events that may affect investments, this is not an exhaustive listing.

**THERE ARE INHERENT RISKS ASSOCIATED WITH INVESTING, AND DEPENDING ON THE RISK OCCURRENCES, YOU MAY LOSE ALL OR A SUBSTANTIAL PORTION OF YOUR PRINCIPAL INVESTMENT.**

## Recommendation of Specific Types of Securities

Generally, our advice encompasses making recommendations of mutual funds and exchange-traded funds. We may, upon client request, incorporate other securities into the portfolio construction process.



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## **DISCIPLINARY INFORMATION (Item 9)**

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Neither our firm nor its management has been involved in any industry-related legal or disciplinary events.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS (Item 10)**

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### **Financial Industry Activities**

We are not a registered broker-dealer and do not have an application pending to register as a broker-dealer. Additionally, neither our management personnel nor investment advisor representatives are registered representatives of a broker-dealer or have applications pending to register.

### **Financial Industry Affiliations**

We are not registered as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor and do not have an application pending to register as such. We do not have a firm principal or investment advisor representative registered as an associated person of any entity noted.

### **Other Affiliations**

Mr. Vince Clanton and Mr. Scott Clanton are licensed insurance agents who offer and sell insurance products to advisory clients for asset and income protection and risk management needs. Insurance offerings include life, health, disability, and long-term care insurance. Many of the insurance products are sold through separate and distinct vendors. Our investment advisor representatives may devote up to five percent (5%) of their workweek selling insurance products.

When acting as insurance agents, Mr. Vince Clanton and Mr. Scott Clanton receive separate yet customary compensation for insurance product sales. In instances where Mr. Vince Clanton or Mr. Scott Clanton receive advisory fees in addition to insurance commissions, his compensation will be higher than if purchased separately or absent of the advisory fee component.

Advisory fees are not offset by insurance commissions earned; therefore, insurance products may be available through more cost-effective channels. Clients always have the right to decide whether to purchase insurance products our investment advisor representative(s) recommend. Clients can purchase insurance products through any insurance agent.

Acting in dual roles (insurance agent and investment advisor representative) and receiving compensation in dual capacities creates conflicts of interest. Accordingly, this is our notification of the conflicts of interest that result from the sale of insurance products. We will disclose applicable conflicts in writing prior to providing other services that create conflicts of interest.

We do not have an affiliated entity. Further, we do not have any material arrangement or relationship with a related person that is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, pension consultant, real estate broker or dealer, sponsor or syndicate of limited partnerships not already disclosed herein.

### **Other Investment Advisers**

We currently select and recommend third-party asset management platforms for clients. Please review Item 4, Types of Advisory Services, and Item 5, Fees and Compensation, for more details regarding Third-party Asset Management Services and the advisory fees associated with such services. Generally, these arrangements are governed by endorsement (solicitor’s) arrangements or sub-advisory agreements governed by SEC rule 206(4)-1, and clients are required to enter into a separate agreement with the recommended third-party asset management platform.

Please be advised that there are conflicts of interest related to recommending third-party asset management platforms. Our firm will earn additional advisory fee revenue as a result of clients utilizing these platforms. The advisory fees paid to us may be higher or lower than if clients were to obtain these services directly from third-party asset management platforms. Nonetheless, most third-party asset management platforms or institutional advisors only accept clients who can meet specific minimum investment requirements.

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Clients who cannot meet the minimum investment requirements must access these advisory service offerings through institutional platforms (i.e., other investment advisers).

Compensation derived from advisory products and services of other investment advisors (e.g., third-party asset management platforms) can result in a substantial concentration of products and services that benefit our firm. To mitigate or remedy conflicts of interest, we fully disclose these arrangements to clients before making recommendations of other investment advisors.

To continually assess conflicts and advise clients accordingly, our chief compliance officer periodically reviews the model portfolios and strategies offered by any third-party asset management platform to ensure client suitability and advisory fee reasonableness.

## **CODE OF ETHICS, PARTICIPATION, OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING (Item 11)**

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### **Code of Ethics**

We require that all employees of Chancellor Wealth Management act ethically and professionally. Our management persons, investment advisor representatives, and other employees (collectively, “personnel”) subscribe to a strict code of professional standards and ethics (“Code of Ethics”). Our Code of Ethics is constructed to comply with the investment advisory laws and regulations that require firms to act as fiduciaries in transactions with their clients. Our inherent fiduciary duty requires that we act solely in our clients’ best interests and adhere to standards of utmost integrity in our communications and transactions. These standards ensure that clients’ interests are given precedence.

Accordingly, we have implemented comprehensive policies, guidelines, and procedures that promote ethical conduct and practices by all personnel. The foregoing has been compiled and is collectively referred to as our Code of Ethics. We adopted our Code of Ethics to specify and prohibit certain types of transactions that create conflicts of interest (or perceived conflicts of interest) and establish reporting requirements and enforcement procedures related to personal securities transactions by our personnel.

Our Code of Ethics, which specifically deals with our fiduciary duty, professional standards, insider trading, personal trading, and gifts and entertainment, establishes our ideals for ethical conduct based on the fundamental principles of openness, integrity, honesty, and trust.

We will provide a copy of our complete Code of Ethics to any client or prospective client upon request.

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

We do not recommend that clients buy or sell securities that a related person has a material financial or ownership interest.

### **Personal Trading**

#### **Proprietary Trading**

We will, at times, buy or sell securities for the personal accounts of our employees that we also recommend to clients. We will always document any transactions that could be construed as a conflict of interest. Conflicts of interest relative to trades for employees (“personal accounts”) may present in many different contexts. Some conflicts of interest related to personal accounts include trading ahead to obtain a better transaction execution price than clients, recommendations or trades based on financial interest, trading on information that is not available to the public, or structuring transactions in a manner so that the results are profitable for employees’ accounts. To mitigate or remedy any conflicts of interest or perceived conflicts, we monitor internal trading reports for adherence to our Code of Ethics.

#### **Simultaneous Trading**

From time to time, we are likely to buy or sell investments for the personal accounts of our employees at or around the same time as clients. As summarized above, our Code of Ethics requires us to (1) act in accordance with all applicable federal and state regulations, (2) act in the best interest of clients, (3) pre-clear transactions in private placements or initial public offerings, and (4) review of personal securities transactions by employees to confirm adherence. Our chief compliance officer performs this review. In any instance where similar securities are purchased or sold, we will uphold our fiduciary duty by ensuring that transactions benefit our clients’ interests.

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## **BROKERAGE PRACTICES (Item 12)**

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### **Selection and Recommendation**

We recommend account custodians after evaluating several factors. The factors include but are not limited to relatively low fees and expenses, execution capabilities, reputation, access to securities markets, and expertise in handling brokerage support processes. We may also consider the availability of other products and services that benefit our clients, many of which are not typically available to retail (non-advisory) clients.

Charles Schwab & Co. (hereinafter, “Schwab”) has completed the operational transition of TD Ameritrade Institutional. As a result, our firm maintains a custodial services agreement with Schwab. Schwab is a registered broker-dealer and member of FINRA and SIPC. We are participants of Schwab’s institutional services platform for independent investment advisors (known as Schwab Advisor Services™).

Our firm is independently owned and operated and is not affiliated with Schwab. Schwab provides brokerage, operational support, and other custodial services to our firm and may also offer other services that help us manage or grow our advisory business. These services are available to our firm at no cost. Therefore, as a result of our established service agreement, cost implications, operational support, custodial, and other services provided, Schwab receives preferential status when recommending a custodian to our clients for our advisory transactions.

While we recommend that clients use Schwab as an account custodian, clients ultimately decide whether to do so. Clients will open an account by entering into an account agreement directly with Schwab. We do not open the account, although we may assist clients in doing so. As outlined in Item 5, Other Fees & Expenses, there are other costs and expenses related to the management of investments and advisory service provisions.

Although Schwab does not charge clients separately for custody services, it is generally compensated by charging transaction fees and assessing account maintenance fees. Schwab is also compensated by the interest it earns on the uninvested cash (i.e., Schwab money market mutual funds) in client accounts and may be compensated by our clients’ investments in other products and services offered through Schwab Advisor Services™.

Notwithstanding our agreement with Schwab, we reserve the right to use or recommend other firms for custodial services.

#### **1. Soft Dollar Benefits**

As a participant of an institutional services platform, we receive ancillary soft dollar benefits to support all our advisory accounts and certain operational processes. The soft dollar benefits include but are not limited to duplicate client confirmations and bundled duplicate statements, access to a trading desk serving platform participants exclusively, and access to block trading, which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, mechanisms to facilitate the deduction of advisory fees directly from client accounts, access to an electronic communication network for order entry and account information; receipt of compliance publications, and access to other products and services that are generally available to only institutional platform participants.

As of the date of this Brochure, we have not entered into any agreement with an account custodian, broker-dealer, or any other third party to receive soft dollar credits. Soft dollar credits are earned from clients’ securities transactions as a result of an increase in transaction costs or commissions and are subsequently used to pay for the research or other products or services provided by an account custodian. Therefore, although we receive ancillary soft dollar benefits, our firm does not earn soft dollar credits.

If Schwab discounts or waives fees related to client transactions or custodial services or pays for all or a part of any third party’s fees, our receipt of these benefits from Schwab creates conflicts of interest. Such arrangements incentives us to recommend Schwab rather than another account custodian.

Nonetheless, our receipt of ancillary platform services and discount or waived service fees from Schwab does not diminish our duty to act in our clients’ best interests, which includes, among other things, seeking best execution of trades for client accounts (i.e., best fees, services, and execution for client accounts).

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

We do not receive client referrals from broker-dealers or other third parties in exchange for using any particular broker-dealer.

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### 3. Directed Brokerage

(a) We recommend that clients utilize Schwab. Our service agreements are designed to maximize trading efficiencies and cost-effectiveness for our clients. By recommending that clients use Schwab, we seek to achieve the most favorable results relative to trading costs, allocation of funds, and rebalancing of client investments.

(b) If a client prefers a particular account custodian, we will notify the custodian of our advisor-client relationship and proceed accordingly. However, under such arrangements, we are typically limited in negotiating transaction costs or obtaining best execution. Also, we are unable to aggregate trades; therefore, there are disparities in transaction costs among clients who use our recommended account custodian versus clients who prefer to use their own. More importantly, there are likely to be higher costs associated with brokerage transactions under a directed arrangement.

## Order Aggregation

In the ordinary course of business, we may (but are not obligated to) block or aggregate trade orders for advisory accounts. The process is used to execute transactions more timely, equitably, cost-effectively, and efficiently. When we block or aggregate trades, purchase and sell orders receive an average price and are allocated proportionally among aggregated accounts. This practice is reasonably likely to result in an administrative convenience for our firm and an overall economic benefit to clients. Clients benefit relatively from averaged purchase or sell execution prices, lower transaction expenses, beneficial timing of transactions, or a combination of these and other factors.

If we decide that order aggregation is in the best interest of clients, before aggregating trades, we will prepare a written allocation statement specifying each advisory account that will participate in the aggregated order and the anticipated allocation among the accounts if the order is filled completely. If the order is filled partially, allocations are made according to our judgment of each client's best interest, and our firm will document such allocation decisions. Each account participating in a block trade will pay or receive the average price for all shares included in the transactions for such securities on that day, including applicable transaction costs.

When allocating aggregated trades, we must treat each client fairly and equitably. Any change to an allocation must be explained in writing and approved by our chief compliance officer promptly, generally no later than one hour after the opening of the markets on the trading day after the day we executed the trade orders.

Our firm does not receive any additional compensation or remuneration as a result of trade order aggregation. The chief compliance officer will review transactions periodically to detect and prevent inefficiencies that result from non-compliance with our order aggregation policies and procedures.

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## REVIEW OF ACCOUNTS (Item 13)

### Periodic Reviews

Our criteria for reviewing clients' accounts are as follows:

#### **1. Financial Planning Services**

We prepare financial plans based on the financial data that clients provide to our firm. Clients may elect to have an annual review of the progress of the written financial plan. The annual review is subject to our hourly financial planning rate of \$400 per hour, and average fees range between \$400 and \$800. Nonetheless, clients who have entered into an agreement for investment management services are not assessed advisory fees for annual financial planning reviews, consultations, or other updates that may occur during the year.

#### **2. Investment Management Services**

We review portfolio activity no less than annually. Our reviews determine whether a client's portfolio strategies continue to align with the stated investment goals and objectives. Mr. Vince Clanton and Mr. Scott Clanton review clients' investment portfolios. If a client's portfolio drifts from the model portfolio target allocation, based on our authority and the need for rebalancing, we will adjust allocations or investment holdings to ensure alignment with the client's investment goals, objectives, and strategies.

#### **3. Retirement Plan Advisory Services**

Reviews for retirement plan consultation services are limited. Plan participants do not receive scheduled reviews or ongoing reports. These services are provided on a global basis and do not include personalized investment advice.



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#### **4. *Third-party Asset Management Services***

We review the activity of third-party asset management platforms continually. We conduct formal reviews of client portfolios no less than annually. Each investment advisor representative of our firm is responsible for reviewing client accounts under his purview. Our chief compliance officer oversees the review process.

We perform a detailed review of clients' holdings to ensure that the objective of the third-party asset management platform aligns continuously with the client's financial objectives. This process includes reviewing the asset classes, investment management styles, and specified risk/return data of the model portfolios or platforms. If reallocation is necessary, we may select or recommend different portfolios, portfolio managers, or third-party asset management platforms.

#### **Intermittent Review Factors**

Substantial market fluctuation, economic, business, or political events, or changes in a client's financial status (such as retirement, termination of employment, relocation, or inheritance) will prompt us to conduct ad hoc reviews of holdings and accounts. Clients are urged to notify us promptly if other material changes affect the financial information that we rely on to provide advice and recommendations.

#### **Client Reports**

Upon a client's request, we will issue a separate performance report. In addition to performance data, our reports include statements of gains and losses. Clients are urged to review our performance statements carefully, comparing the asset values in our reports to those indicated in the account statements issued by the account custodian. It is important to note that due to different accounting procedures, reporting dates, or valuation and pricing methodologies for certain securities, the asset values on our performance statements will vary from the values on the account custodian's statements.

In addition to our reports, clients receive transaction confirmations from the account custodian shortly after trading activity (buys or sells). Additionally, the account custodian will send monthly statements for each month in which there is trading activity. Clients will receive account statements quarterly if there is no monthly trading activity.

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### **CLIENT REFERRALS AND OTHER COMPENSATION (Item 14)**

#### **Economic Benefits for Advisory Services**

Other than ancillary soft dollar benefits disclosed in the Brokerage Practices section (Item 12) above, we do not have arrangements to receive economic benefits from any third party for providing advisory services to our clients.

#### **Compensation for Client Referrals**

Although we may refer clients to an accountant or attorney for other professional services, clients are responsible for engaging these professionals directly on an as-needed basis. We do not receive referral fees.

Additionally, our firm does not compensate any person for client referrals.

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### **CUSTODY (Item 15)**

#### **Custodian of Assets**

We do not hold physical custody of clients' funds or securities. We require that qualified account custodians hold clients' assets for safekeeping. For more information regarding the qualified account custodian that provides custody and safekeeping services for our clients' accounts, please review the Brokerage Practices section (Item 12).

Our firm has indirect custody of client funds and securities because of our authorization and ability to deduct advisory fees directly from our clients' account(s). We also have indirect custody due to utilizing asset movement authorizations to process client requests for account disbursements (e.g., checks, journals, wire requests, etc.) at a client's request.

Nonetheless, in all instances of indirect custody, we have implemented the safeguard requirements by ensuring the safekeeping of clients' funds and securities by a qualified account custodian and implementing the account custodian's requisite internal control procedures for safeguarding client assets.

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## Account Statements

The account custodian sends monthly or quarterly electronic notifications to clients regarding the availability of account statements. Clients are advised to review account statements carefully, comparing asset values, activity, holdings, allocations, performance, and advisory fees on current statements to the information in previously received trade confirmations, account statements, and advisory fee invoices.

## **INVESTMENT DISCRETION (Item 16)**

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### Discretionary Authority

It is customary for our firm to exercise discretionary authority to manage and direct clients' investment assets (i.e., accounts, funds, and securities). This authority is granted upon a client's execution of our investment advisory agreement for wealth management services.

Discretionary trading authority is used to implement investment decisions regarding a client's investment assets (i.e., accounts, funds, or securities) without prior consultation with the client. Such investment decisions include determining the types and dollar amounts or percentages of securities bought or sold and reinvesting investment assets. All investment decisions implemented under discretionary authority are made in accordance with a client's documented investment objectives.

Clients may advise us of limitations on our discretionary authority in writing at any time during our advisory engagement. Clients may impose restrictions on investing in securities in specific industries or countries and limit the dollar amounts or percentages of investments in any asset class.

Nonetheless, imposing onerous limitations may adversely affect a third-party asset management platform's ability to manage a client's investment assets. In such instances, we may exercise our option to terminate services as outlined in the Refund Policy Section in Item 5.

Additionally, there are some instances where we exercise non-discretionary authority in managing and directing clients' investments. When making investment decisions using non-discretionary authority, we seek the client's consultation and approval (oral or written) before implementing investment strategies. Utilizing non-discretionary authority is not our typical practice, and this authority is generally only used for clients who specifically request non-discretionary authority.

## **VOTING CLIENT SECURITIES (Item 17)**

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We do not cast proxy votes on behalf of clients. We may provide information to clarify the issues in proxy solicitation materials; however, our clients are responsible for casting proxy votes. Clients are also responsible for directing shareholder action items relative to mergers, acquisitions, tender offers, bankruptcy proceedings, and other types of events about the securities held in accounts managed by us.

Clients receive proxy solicitation and information regarding shareholder action items by mail or electronically from the account custodian or issuer's transfer agent. Clients must follow the instructions for voting or directing the shareholder action outlined in the mailing or electronic delivery.

## **FINANCIAL INFORMATION (Item 18)**

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### Balance Sheet Requirement

Our firm does not require or solicit prepayment of more than \$1,200 in advisory fees six (6) months or more in advance. Moreover, we do not meet any custody requirement that would require submitting a balance sheet with this filing.

### Discretionary Authority, Custody of Client Funds or Securities and Financial Condition

We typically use discretionary trading authority to supervise and direct the investments of clients' accounts. Additionally, we have indirect custody of client funds and securities because of our authorization and ability to deduct advisory fees directly from clients' accounts. We also have indirect custody when we process clients' requests for asset disbursements (e.g., journals, checks, ACH requests, etc.) from their portfolios. More importantly, we do not have any financial condition that will impair our ability to meet contractual commitments to clients.

### Bankruptcy Petition Filings

Our firm has not been the subject of a bankruptcy petition during the past ten (10) years.

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## ADDITIONAL DISCLOSURES

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This section covers other information related to our advisory business but not specifically mentioned previously.

### Important Information Regarding Retirement Accounts

#### ERISA Fiduciary Advisor

As a result of providing fiduciary investment advice to plan sponsors, plan participants, and IRA owners, our firm is a Fiduciary Advisor under Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and as applicable, the Internal Revenue Code of 1986, as amended (the Code). Please review the [Types of Advisory Services](#) section (Item 4) for details regarding our services. We will provide additional disclosures at the time of providing advice or making recommendations regarding any retirement savings account.

#### Retirement Account Rollover Options

Clients have options regarding retirement account rollovers. Typically, existing clients or new clients leaving an employer have four (4) options regarding assets in an existing retirement plan. They may:

1. roll over the assets to the new employer's plan, if available, and rollovers are permitted;
2. leave the assets in the former employer's plan, if permitted;
3. roll over the assets to an Individual Retirement Account ("IRA"); or
4. cash out the account value (tax consequences generally apply).

If our firm recommends that a client roll over retirement assets into an account that we will manage, such a recommendation creates a conflict of interest because our firm will earn fees as a result of the rollover. As a Fiduciary Advisor, we mitigate this conflict by disclosing it and ensuring that a recommendation to roll over retirement savings is in a client's best interest.

No client is under any obligation to roll over retirement savings to an account managed by our firm.

### CFP Board Disclosures

Our firm employs CERTIFIED FINANCIAL PLANNER™ professionals, H. Vincent Clanton, MBA, CFP®, CLU®, and Scott T. Clanton, CFP®. The Brochure supplements for Mr. Vincent Clanton and Mr. Scott Clanton outline specific details regarding the conferment of the CFP® professional designation). Accordingly, we also adhere to the CFP Board's Standards of Professional Conduct.

We encourage clients to review the information outlined in this Brochure, our disclosure document. We welcome any questions that clients may have regarding our advisory services (see Item 4, Advisory Services), compensation (see Item 5, Fees and Compensation), other services and affiliations (see Item 10, Other Financial Industry Activities and Affiliations), and conflicts of interest (see Item 11, Code of Ethics, Item 12, Brokerage Practices, and Additional Disclosures Section).

In the event of material changes to the information outlined in this Brochure, we will provide updates and amendments to clients within a reasonable time frame, generally within thirty (30) days as required by advisory regulations. We acknowledge our responsibility to adhere to the standards established by the CFP Board's Standards of Professional Conduct, including the duty of care of a fiduciary, as defined by the CFP Board.