

**Firm Brochure**  
(Part 2A of Form ADV)

**Carson Advisory, Inc.**

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This brochure provides information about the qualifications and business practices of Carson Advisory, Inc. If you have any questions about the contents of this brochure, please contact us at: 706-543-6578, or by email at: bob.carson@raymondjames.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Carson Advisory, Inc. is available on our website at <http://www.carsonadv.com/> or on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

3-31-2011

## Material Changes

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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### **Full Brochure Available**

A complete copy of our Firm Brochure is available at our office or on our website: <http://www.carsonadv.com/>.

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# Advisory Business

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## **Firm Description**

Carson Advisory, Inc. is the successor firm to directly related financial services firms dating to 1959. The original registration with the Securities and Exchange Commission was approximately two decades later as Carson & Associates.

Carson Advisory, Inc. provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial concerns, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Carson Advisory, Inc. is, in its registered investment advisory relationship with clients, a fee-based financial planning and investment management firm. Approximately 20% of the business is fee based related to insurance, bonds, and annuities offered through Raymond James Financial Services.

However approximately 35% of our business is related to a fee based relationship with Raymond James Financial Services, Inc.'s division, Asset Management Services. We also have fee and commission earnings with Planning Corporation of America, an insurance division at Raymond James, Inc. A small portion of revenue is as acting in a brokerage relationship earning commissions with clients who prefer this type of account or our primary fee-based relationship.

Investment advice, including asset allocation, is an integral part of financial planning.

At this time, Carson Advisory, Inc. does not allow discretionary accounts. Carson Advisory, Inc. does not act as a custodian of client assets. The client always maintains asset control.

Initial reviews of each client's current situation and goals form the direction for asset allocation. Periodic performance reviews are also communicated quarterly. Suggested portfolio changes are communicated as needed, due to our work at Carson Advisory, Inc. or based upon client needs.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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**Principal Owners**

Robert H. Carson, Jr. is a 100% stockholder.

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**Types of Advisory Services**

Carson Advisory, Inc. provides investment and asset management services. And, on occasion issues special reports about securities; and issues, charts, graphs, formulas, or other devices useful, on issues specific to each client.

Carson Advisory, Inc. furnishes advice to clients on matters not involving securities, such as financial planning matters, topical taxation issues, potential trust services, estate planning, charitable gifting, including donor advised accounts, and college savings solutions, and general family, financial events.

As of December 31, 2010 Carson Advisory, Inc., in a Registered Investment Advisor capacity, managed 758 accounts with approximately \$170 million assets, plus 72 million in a brokerage capacity with Raymond James Financial Services, Inc. This totals \$242 million with 1,432 accounts. (Many client relationships contain multiple accounts, so total client relationships would be noticeably less than implied by the 1432 accounts.)

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**Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements common with corporate accounts and typical with individuals and reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

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**Types of Agreements**

The following agreements define the typical client relationships:

**Financial Planning Agreement**

A financial plan can be designed to help the clients with aspects of financial planning.

The average client does not utilize a detailed financial plan, but our mutual understanding typically includes at least some elements of the following: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios including retirement cash flow analysis; estate planning review and recommendations; and education planning with funding recommendations.

Understanding our clients' needs is not a separate function for us. Neither is it separately billed. We consider it integrated into our asset management service relationship.

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### **Advisory Service Agreement**

Most clients choose to have Carson Advisory, Inc. manage their assets in order to obtain ongoing in-depth advice and life planning. To the degree that clients share their circumstances, and we are aware of changes in a client's financial affairs, suggestions are made and implemented.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes investment and cash management responsibilities and all associated expenses.

The annual Advisory Service Agreement maximum fee is based on a percentage of the investable assets according to the following schedule:

#### **PASSPORT**

- 1.750% on the first \$200,000;
- 1.500% on the next \$300,000; and
- 1.000% on the assets above \$500,000.

\* The minimum Account value of Fee Investments is \$25,000

#### **AMBASSADOR**

- 2.000% on the first \$200,000;
- 1.750% on the next \$300,000; and
- 1.250% on the assets above \$500,000.

\* The minimum Account value of Fee Investments is \$100,000

The minimum annual fee on a Passport account is \$250 and the minimum fee on an Ambassador account is \$1,000 and is not negotiable, with the exceptions of non-profit and family accounts.

The Advisory Service Agreement is an ongoing agreement and adjustments could be required. The length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Tax related information is included in each account's 1099 sent annually, including interest and dividend income and realized short term and long term gains and losses, and our asset management fees.

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### **Retainer Agreement**

We have no retainer agreement or fee.

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### **New Account Agreement**

A New Account Agreement must be executed as part of the relationship with Carson Advisory, Inc. and each client's relationship need for custodian/account services with Raymond James Financial Services, Inc. (Although we have a long-standing relationship and contract with Raymond James Financial Services, Inc., either firm could terminate in the future.)

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### **Asset Management**

Assets are invested primarily in no-load mutual funds and exchange-traded funds. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus.

Stocks and bonds may be purchased or sold when appropriate. The brokerage firm charges a fee for stock and bond trades in the Passport account.

The **Passport** transaction schedule follows:

<u>Security Type</u>	<u>Processing Fee</u>
Stocks: Listed and OTC / Closed End and Exchange Traded Funds	\$30.00
Mutual Funds (applicable to purchases only)	\$30.00
Unit Investment Trust / Real Estate Investment Trust	\$30.00
Preferred Stock	\$30.00
Option Contracts	\$50.00
Bonds: Government, Corporate, Municipal & Mortgage Backed	\$50.00

There are no processing fees in our **Ambassador** account.

Carson Advisory, Inc. does not receive any compensation, in any form, from fund companies.

Initial public offerings (IPOs) are available through Carson Advisory, Inc. via our relationship with Raymond James Financial Services, Inc., though they are very rarely recommended.

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### **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying Carson Advisory, Inc. in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, Carson Advisory, Inc. will refund any unearned portion of the advance payment.

Carson Advisory, Inc. may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Carson Advisory, Inc. will refund any unearned portion of the

advance payment. Please see the prior section, “Advisory Service Agreement.”

## Fees and Compensation

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### Description

Carson Advisory, Inc. bases its fees on a percentage of assets under management.

A portion of our total revenues, though wholly unrelated to our clients with asset management accounts, are fees and commissions where we have clients in a brokerage relationship with Raymond James Financial Services, Inc.

Fees are negotiable and in the aggregate, our average client account is discounted from our maximum rate schedule.

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### Fee Billing

Investment management fees are billed quarterly, typically one month into the quarter under management, meaning that we invoice clients during the three-month billing period. Payment in full is expected upon invoice presentation.

Fees are usually deducted from the client’s brokerage account and the client must consent in advance to direct debiting of their investment account.

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### Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The fee schedule is the same as shown on page 4, under Asset Management:

Passport:

<u>Security Type</u>	<u>Processing Fee</u>
Stocks: Listed and OTC / Closed End and Exchange Traded Funds	\$30.00
Mutual Funds (applicable to purchases only)	\$30.00
Unit Investment Trust / Real Estate Investment Trust	\$30.00
Preferred Stock	\$30.00
Option Contracts	\$50.00
Bonds: Government, Corporate, Municipal & Mortgage Backed	\$50.00

Ambassador:

There are no processing fees for Ambassador Accounts.

While the use of a mutual fund is more important than the nominal fee that is required with the use of most fund families, there are over 30 mutual fund families that currently wave any charges for purchases. There are no transaction fees for mutual fund sales.

Carson Advisory, Inc., in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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**Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Carson Advisory, Inc.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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**Past Due Accounts and Termination of Agreement**

Carson Advisory, Inc. reserves the right to stop work on any account that is more than 30 days overdue, or if normally required or updated paperwork is not returned in a timely fashion.

## Performance-Based Fees

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**Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities or in any way based upon performance except to the degree that we bill on assets, so higher or lower account values would increase or reduce the values we bill upon. To that limited degree, we share in the well-being of our clients' account performance.

Carson Advisory, Inc. does not use a performance-based fee structure at this time, and has no intention of implementing one in the foreseeable future.

## Types of Clients

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**Description**

Carson Advisory, Inc. generally provides investment advice to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, foundations, and corporations or business entities.

Client relationships vary in scope and length of service.

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**Account Minimums**

The minimum account size is either \$25,000 or \$100,000, depending on the type of account a client chooses.

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

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**Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that Carson Advisory, Inc. may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, and the World Wide Web.

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**Investment Strategies**

The primary investment strategy used on client accounts is strategic asset allocation, using actively managed funds, passively-managed indices and exchange-traded funds as the core investments. Portfolios are globally diversified, to a degree, in an effort to spread geo-political risk as well as add growth prospects where appropriate.

A minority of our accounts are composed primarily of individual securities.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client is encouraged to either specifically execute an Investment Policy Statement that documents their objectives and their desired investment strategy or construct one in consultation with each advisor.

Some accounts can employ margin transactions, and the use of options writing (including writing covered options, uncovered options or spreading strategies), though there are separate arrangements, involving further qualifications and they are client need-driven.

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**Risk of Loss**

All investment programs have differing degrees of risks borne by the investor, their asset allocation and goals. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. An example, with longer dated fixed investments, would be that when interest rates rise, yields on existing bonds

become less attractive, causing their market values to decline. Interest rate volatility, in general, lends itself to higher equity volatility. (Volatility itself does not equate to risk over longer periods of time).

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk can be caused by external factors independent of a security's particular fundamental circumstances. For example, political, economic and social conditions may trigger general market events, or more specific, sector volatility.
- **Inflation Risk:** When inflation is present in a country or currency market, purchasing power can be eroded.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities and is commonly a concern with maturing or called debt issues.
- **Business or Economic Cycle Risk:** These risks are associated with a particular industry, government, or central bank. Political decisions can change, leading to macro-economic concerns or even to more specific individual industry sector concerns.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product, a product or market with low expenses to trade and large market size, with many market participants. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or could demonstrate concern via a declining market value.
- **Default Risk:** Both for-profit (corporate) and non-profit (federal, state, and municipal) borrowers are subject to the timely repayment of principle and interest. In times of dramatic financial stress, short-term debt obligations can be quickly re-priced should that repayment ability be questioned or challenged...threatening the financial viability of the subject entity, particularly if a refinancing need is untimely.

## Disciplinary Information

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### Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## Other Financial Industry Activities and Affiliations

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### Financial Industry Activities

Carson Advisory, Inc. is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor and does not in any capacity serve as a securities dealer.

### Affiliations

Carson Advisory, Inc. has arrangements that are material to its advisory or its clients, with a broker-dealer, investment company, other investment advisor, banking or thrift institution, insurance company or agency, or an entity that creates or packages limited partnerships and/or unit investment trusts. Our current affiliation is with Raymond James Financial Services, Inc. and that affiliation is agreed upon yearly, but can be changed at any time.

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

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### Code of Ethics

As noted in Policy 1 - Management Oversight, the Advisers Act imposes a fiduciary duty on investment advisers. As a fiduciary, Carson Advisory, Inc. has a duty of utmost good faith to act solely in the best interest of each of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all of our dealings. Employees will not take inappropriate advantage of their position with the firm and all employees are expected to comply with federal securities laws.

This fiduciary duty is the core principle underlying this Code of Ethics and Personal Trading Policy, and represents the expected basis of all of our dealings with our clients.

### Participation or Interest in Client Transactions

Carson Advisory, Inc. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades, as the interests of clients will be placed ahead of the firm's or

any employee's own investment interests. Employees comply with the provisions of the Carson Advisory, Inc. *Compliance Manual*, which in almost all points is reflective of the high standards required in our legal, mutual relationship with Raymond James Financial Services, Inc.

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## **Personal Trading**

Employees are expected to conduct their personal securities transactions in accordance with the Personal Trading Policy and will avoid any actual or perceived conflict of interest with the client. Employees with questions regarding the appearance of a conflict with a client should consult with the CCO before taking action that may result in an actual conflict. The Chief Compliance Officer of Carson Advisory, Inc. is Robert H. Carson, Jr. He reviews all employee trades daily. His trades are reviewed by the Raymond James Compliance Department. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. In a practical sense, it is nearly impossible for a firm of our modest size to affect an individual security, much less a securities market. The following is an in-depth description of our Personal Trading Policy:

### **A. Matters to Consider Before an Employee Places a Trade**

- (1) Whether the amount or nature of the transaction will affect the price of or market for the security
- (2) Whether the employee will benefit from purchases or sales being made for any client
- (3) Whether the transaction is likely to harm any client; and
- (4) Whether there is an appearance or suggestion of impropriety.

### **B. Personal Trading Restrictions**

- (1) General - Employees are expected to purchase or sell a security for their personal accounts only after the trading of that same security has been completed in client accounts unless a block trade, inclusive of all shares for all clients, is used. Personal accounts of the employee include all accounts for family members living within the employee's household and accounts over which the employee has authority even though the account owner does not live within the same household as the employee.
  - a. Stock purchases represent a minority of assets held in our typical managed accounts, which are in the majority invested using mutual funds.

### **C. Reports of Personal Securities**

Employees are required to report securities transactions and holdings for all accounts in which the employee has a direct or indirect beneficial ownership

interest. This includes personal securities information of any family member living within the same household as the employee.

#### D. Acceptable Personal Trades

The following forms of securities may be freely held or traded by employees, without regard to the Personal Trading Restrictions described above or the reporting requirements described in Reports of Personal Securities above. For these reasons, the following securities are considered safest from a regulatory perspective for an employee to purchase, sell or hold - both from the firm and employee's perspective.

- (1) Shares of open-end mutual funds (note: trades in closed-end mutual funds or exchange traded funds must follow the Personal Trading Restrictions requirements described above);
- (2) Shares of any money market funds;
- (3) Direct obligations of the United States Government; and
- (4) Money market instruments, including bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt.

#### Firm Review of Personal Transaction Reports

The CCO will generally consider the following factors when reviewing reportable security holdings and transactions or approvals by employees to purchase IPO's or private placements, even though there occurrences are rare and must also comply with the Raymond James Financial Services, Inc.'s policy.

- A. Whether the investment opportunity should be directed to a client's account;
- B. Whether the amount or nature of the transactions affected the price or market for the security;
- C. Whether the employee benefited from purchases or sales being made for clients;
- D. Whether the transaction harmed any client; and
- E. Whether the transaction has the appearance of impropriety

#### Record Keeping Requirements

Carson Advisory, Inc. will keep the following records regarding this Code of Ethics and Personal Trading Policy:

- A. Historic copies of this Code of Ethics and Personal Trading Policy;
- B. Historic listings of all employees subject to this Code of Ethics and Personal Trading Policy;
- C. Employees' written acknowledgements of the receipt of the Code of Ethics and Personal Trading Policy
- D. Violations of the Code of Ethics and Personal Trading Policy, and records of action taken as a result of the violations;

- E. All personal transaction reports made by employees and/or copies of brokerage confirmations and statements; and
- F. Written approvals of IPO's and private placements, as well as documentation of Carson Advisory, Inc.'s allowance of such transactions.

#### Code of Ethics and Personal Trading Policy Violations

All employees are required to report promptly an violation of this policy to the CCO (including the discovery of any violation committed by another employee). Examples of items that should be reported include but are not limited to: noncompliance with federal securities laws, conduct that is harmful to clients and purchasing securities contrary to the Personal Trading Policy.

Employees are encouraged to report any violations or apparent violations. Such reports by employees will not be viewed negatively by firm management, even if the reportable event, upon further review, is determined to not be a violation and CCO/President determined the employee reported such apparent violation in good faith.

#### Code of Ethics and Personal Trading Policy Sanctions

Upon discovering a violation of this policy, the CCO may impose any sanctions as deemed appropriate, including disgorgement of profits, reversal of the trade or suspension of trading privileges, or the restriction or limitations of future trading in all associated accounts for periods of time directly required by F.I.N.R.A. and enforced by Raymond James Financial Services, Inc.

Associated persons of Carson Advisory, Inc. are licensed as registered representatives to sell securities through Raymond James Financial Services, Inc. ("RJFS"), a securities broker/dealer, member NASD and SIPC. In this capacity, IAR's may be involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds and receive commission for those transactions. In addition, they can be involved in the sale of various insurance products.

Rarely, securities purchased, held or sold could also be used by the Advisor or affiliate. Raymond James Financial Services, Inc. places certain restrictions related to their research department upgrades or downgrades of followed stocks, limiting advisor participation on these securities for three trading days.

In instances where the IAR buys or sells the same securities as those of their clients, all clients' accounts are given priority. Carson Advisory, Inc. has established and maintains procedures in compliance with the Insider Trading and Securities Fraud Enforcements Act of 1988. These procedures outline a firm wide policy statement on compliance with insider trading policies by Carson Advisory, Inc. and its associated persons and other employees. These provisions for defining "insider" material, monitoring associated persons and employee securities accounts, restricting access of affiliates sensitive material and restrictions on trading are recognized as being identical

with our agreements and responsibilities related to our association with Raymond James Financial Services, Inc.

Investment Adviser Representatives (IAR) of Carson Advisory, Inc. are registered representatives of Raymond James Financial Services, Inc. (RJFS), a registered broker-dealer with NASD and recommends RJFS to advisory clients for brokerage services. Registered representatives of RJFS are subject to NASD Conduct Rule 3040 that restricts them from conducting securities transactions away from RJFS. Therefore, clients are advised that such IAR's are limited to conducting securities transactions through RJFS. It may be the case that RJFS charges a higher or lower fee than another broker charges for a particular type of service such as transaction fees. Clients may utilize the broker dealer of their choice and have no obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS, the IAR will reserve the right not to accept the account.

As a registered NASD broker dealer, RJFS routes order flow through its affiliated broker dealer Raymond James & Associates, Inc. (RJA). RJA is obligated to seek best execution pursuant to NASD Rule 2320 for all trades executed, however, better executions may be available via another broker dealer based on a number of factors including volume, order flow and market making activity.

If clients act upon IAR advice and choose to use one of the applicant's affiliates as a money manager, custodian or purchasing insurance, applicant may receive compensation in the form of commissions from the affiliate. If a client chooses to use an IAR in his individual capacity as an insurance agent, the individual IAR could receive a commission. Additionally, if a client purchases a mutual fund containing a 12b-1 fee, the adviser and representative may receive such fee, but only as that IAR is acting as a broker with Raymond James Financial Services, Inc. and not as an advisor with Carson Advisory, Inc.

As part of its fiduciary duties to clients, Carson Advisory, Inc. endeavors at all times to put the interests of its advisory clients first. Clients should be aware, however, that the receipt of economics benefits by Carson Advisory, Inc. in and of itself creates a potential conflict of interest.

## **Brokerage Practices**

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### **Selecting Brokerage Firms**

Carson Advisory, Inc. does not have any affiliation with product sales firms. We do have an affiliation, including for custodian services, with Raymond James Financial Services, Inc.

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**Best Execution**

Carson Advisory, Inc. reviews the execution of trades at Raymond James Financial Services, Inc. on an as executed, daily basis. Still we primarily rely on Raymond James Inc.'s internal policy of best execution. Carson Advisory, Inc. does not receive any portion of trading fees or execution expenses.

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**Soft Dollars**

Carson Advisory, Inc. receives no soft dollars related to any professional relationship including ones with Raymond James Financial Services, Inc. On occasion, it's probable that some portion of costs associated with annual compliance related trips are borne by Raymond James Financial Services, Inc., or firms related to our industry. These are no more than typical and normal to the general industry.

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**Order Aggregation**

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit and as all security trades are on a fixed, set rate, or either have no processing fees, orders are only aggregated for execution purposes and not related to expenses.

## **Review of Accounts**

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**Periodic Reviews**

Account reviews are performed, in essence, on a constant basis by advisors, but particularly when market conditions or sector volatility increases. Client reviews are encouraged at least semi-annually.

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**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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**Regular Reports**

Account reviewers are members of the firm's financial advisors team. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Advisory Service Agreement clients/ Investment Management clients receive written quarterly performance summaries and on a monthly basis, clients receive portfolio statements showing past month account activity, valuations, activities, including tax related events, additions or distributions from the account.

Clients are also able to view their accounts online and in some circumstances clients are permitted to execute trades online.

## Client Referrals and Other Compensation

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### Incoming Referrals

Carson Advisory, Inc. does receive client referrals. It is almost exclusively our tool for growth. The referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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### Referrals Out

Carson Advisory, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## Custody

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### Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record monthly. Quarterly Performance reports are also generated through our relationship with Asset Management Services, a division of Raymond James, Inc.

## Investment Discretion

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### Discretionary Authority for Trading

Carson Advisory, Inc. does not, at this time, accept discretionary authority to manage securities accounts on behalf of clients. We are considering this as an offer of convenience for clients, in the future.

Each client approves the custodian to be used and any fixed costs which will be paid to the custodian. Carson Advisory, Inc. does not receive any portion of the transaction fees or commissions paid by the client to the custodian.

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### Limited Power of Attorney

Carson Advisory, Inc. does not accept any powers of attorney for any purpose.

## Voting Client Securities

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### Proxy Votes

Carson Advisory, Inc. does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, Carson Advisory, Inc. will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

On occasion, Carson Advisory, Inc. will assist in the completion of paperwork to accept legal settlements related to past stock, bond or mutual fund ownership.

## **Financial Information**

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### **Financial Condition**

Carson Advisory, Inc. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Carson Advisory, Inc. does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance. It can be noted that Carson Advisory, Inc.'s net assets will never be less than \$100,000, and net liquid assets, never less than \$50,000.

## **Business Continuity Plan**

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### **General**

Carson Advisory, Inc. has adopted a business continuity strategy that provides for the continuation of business-critical-functions in the event its headquarters becomes partially or totally inaccessible or a technical problem occurs affecting its applications, data centers or network, communications, services or key people. The recovery strategies Carson Advisory, Inc. employs are designed to limit the impact on clients from such business interruptions or disasters.

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### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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### **Alternate Offices**

Although Carson Advisory, Inc. has taken reasonable steps to develop and implement detailed business continuity plans, unforeseen circumstances may create situations where Carson Advisory, Inc. is unable to fully recover from a

significant business interruption. However, Carson Advisory, Inc. believes its planning and implementation process reduces the risk in this area. As most pertinent client information is not subject to Carson Advisory, Inc.'s thorough Business Continuity strategy, Carson Advisory, Inc.'s Business Continuity Strategy centers around a physical need for operations. The alternate office is currently identified as 560 Hill Street, Athens, GA. Most pertinent client information is maintained with Raymond James, Inc. They also have a business continuity plan and that can be accessed here: [http://www.raymondjames.com/business\\_continuity\\_planning.htm](http://www.raymondjames.com/business_continuity_planning.htm). It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Carson Advisory, Inc. does maintain, and backup, operationally important files on a weekly basis.

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**Loss of Key Personnel**

Carson Advisory, Inc. has signed a Business Continuation Agreement with another financial advisory firm to support Carson Advisory in the event of Robert Carson, Jr.'s serious disability or death.

## **Information Security Program**

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**Information Security**

Carson Advisory, Inc. maintains an information security program to reduce the risk that your personal and confidential information may be breached. All hard drives are encrypted to protect your information. All computers currently employ Sophos Security Software and data can only be accessed with a password plus a constantly changing security authorization code program offered through RSA Security, a division of EMC. This program is maintained by Raymond James Financial Services, Inc.

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**Privacy Notice**

Carson Advisory, Inc. and its employees are committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, and information about transactions you might share with us, but are between clients and third parties. We use this information to help you meet your personal financial goals.

With only your permission, would we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. Due to our relationship with an outside broker-currently

Raymond James, Inc., we share information in order to execute securities transactions on your behalf and comply with their legally required “need to know” each client.

We maintain a secure office to ensure that your information is not placed at risk. We employ the firewall barrier, secure data encryption techniques and authentication procedures in our computer environment, as described above under Information Security.

We do not provide your personal information to mailing list vendors or solicitors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

Carson Advisory, Inc. requires that advisors in its employ have a bachelor's degree and encourage further coursework demonstrating knowledge of financial planning and tax planning. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and/or investment management.

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### Professional Certifications

Employees are working on or have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.

Securities Licenses: Each advisor will have their series 7 National Securities License, Series 63 State License and maintain state registrations where there are client relationships. As required by law, Robert Carson, Jr. maintains 31 state registrations representing our United States client states. The Financial Industry Regulatory Authority (FINRA) requires annual continuing education related to licenses held and managerial duties and a course on ethics.

Insurance Licenses: Although none of our clients will have an advisory relationship with Carson Advisory, Inc. for insurance, several advisors maintain life, and/or health, and/or annuity licenses. These licenses also require continuing education and ethics courses.

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**Robert H. Carson, Jr., Series 7, 63, & 8**

Educational Background

- Date of birth: 1954
- Vanderbilt University: BA (1977)

Business Experience:

- Ralston Purina 1977 to 1981
- Carson and Associates (Now Carson Advisory, Inc.) 1981-Present

Other Business Activities:

- Board Member, Oconee River Land Trust
- Board Member, Athens Homeless Property Corp.

Additional Compensation: None

Supervision:

Robert H. Carson, Jr. is the president of Carson Advisory, Inc. Securities activity and operation supervision must be in compliance with all branch manager responsibilities normal to Raymond James Financial Services, Inc., due to our affiliation, and therefore all of his written communications, emails, and trades are reviewed by Raymond James Financial Services, Inc's Operations Department.

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**Richard J. Chester, Jr., Series 7, 63, 65**

Educational Background:

- Date of birth: 1970
- University of Georgia: BBA in Economics (1997)

- College of Financial Planning: Chartered Retirement Plans Specialist designation (2001)

Business Experience:

- Berean Capital, Inc. Trading Support Specialist 1991-1993
- Raymond James Financial Services, Inc./Carson Advisory, Inc. 1996-Present

Other Business Activities: None

Additional Compensation: None

Supervision:

Richard J. Chester, Jr. is supervised by Robert H. Carson, Jr., Branch Manager. He reviews Richard's work through frequent office interactions as well as remote interactions. He also reviews Richard's activities through our client relationship management system.

Robert H. Carson, Jr.'s contact information:

706-543-6578 Bob.carson@raymondjames.com

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**Scott K. Erickson, Series 7, 63, 65**

Educational Background:

- Year of birth: 1962
- University of North Carolina at Chapel Hill: BA in Communications (1984)

Business Experience:

- CNN Sports Producer 1984-1987
- Smith Barney 1987-2008
- Raymond James Financial Services, Inc/Carson Advisory, Inc. 2008-Present

Additional Compensation: None

Supervision:

Scott K. Erickson is supervised by Robert H. Carson, Jr., Branch Manager of Carson Advisory, Inc. He reviews Scott's work through frequent office interactions as well as remote interactions. He also

reviews Scott's activities through our client relationship management system.

Robert Carson, Jr.'s contact information:  
706-543-6578 bob.carson@raymondjames.com

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**James L. Gillis, IV., Series 7 and 66**

Educational Background:

- Year of birth: 1979
- University of Georgia: BBA in Banking & Finance (2002); University of Georgia: Minor in Japanese Language & Literature (2002)

Business Experience:

- Morgan Keegan & Company, Inc. September 2004 to May 2009
- Raymond James Financial Services, Inc./Carson Advisory, Inc. May 2009 to Present

Other Business Activities:

- Board Member, Georgia Music Hall of Fame Authority
- Board Chairman, Georgia Music Foundation, Inc.

Additional Compensation: None

Supervision:

James L. Gillis IV is supervised by Robert Carson, Jr., Branch Manager of Carson Advisory, Inc. He reviews Jim's work through frequent office interactions as well as remote interactions. He also reviews Jim's activities through our client relationship management system.

Robert H. Carson, Jr.'s contact information:  
706-543-6578 bob.carson@raymondjames.com

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**Christopher Kent Lloyd, Series 1, 7, 63, 65 & 66****Educational Background:**

- Year of birth: 1956
- University of Georgia: BA in Real Estate (1979)

**Business Experience:**

- Robinson Humphrey 1981-1989
- Wachovia Securities 1989-2002
- Raymond James Financial Services, Inc./Carson Advisory, Inc. 2009-Present

**Other Business Activities:** Hilltop Grille, Owner

**Additional Compensation:** Hilltop Grille

**Supervision:**

Christopher Lloyd is supervised by Robert H. Carson, Jr., Branch Manager. He reviews Chris' work through frequent office interactions as well as remote interactions. He also reviews Chris' activities through our client relationship management system.

Robert H. Carson, Jr.'s contact information:

706-543-6578 Bob.carson@raymondjames.com

**Disciplinary Information:** None

**Arbitration Claims:** None

**Self-Regulatory Organization or Administrative Proceeding:** None

**Bankruptcy Petition:** None

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**Kevin Patrick Wilson, Series 7 and 66****Educational Background:**

- Year of birth: 1979
- Piedmont College: BBA in Business (2008)

**Business Experience:**

- Morgan Stanley Smith Barney 3/2010-11/2011
- Raymond James Financial Services, Inc./Carson Advisory, Inc. January 2012 to Present

**Other Business Activities:** Wilson Family Homes, LLC (Partner)

**Additional Compensation:** None

**Supervision:**

Kevin Wilson is supervised by Robert Carson, Jr., Branch Manager of Carson Advisory, Inc. He reviews Kevin's work through frequent office

interactions as well as remote interactions. He also reviews Kevin's activities through our client relationship management system.

Robert H. Carson, Jr.'s contact information:

706-543-6578 bob.carson@raymondjames.com

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None