



Disclosure Brochure
(Form ADV Part 2a)

March 21, 2013

Office Locations: 3727 Vineville Avenue, Macon, GA 31204
107 North Broad Street, Thomasville, GA 31792
3020 Roswell Road NE, Suite 200, Marietta, GA 30080

Phone: (888)471-1875

Website: www.cfswealth.com

Firm CRD/IARD # 135579

This brochure provides information about the qualifications and business practices of CFS Wealth Management. If you have any questions about the contents of this brochure, please contact us at (888)471-1875 or at service@cfswealth.com. Additional information about CFS Wealth Management also is available on the SEC's website at www.adviserinfo.sec.gov

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.

Item 2 Material Changes

There are no material changes to report. Note that we now include non-discretionary accounts in our assets under management. (See Item 4. E. and Item 16) for the advice and supervision we provide them at no fee.

Item 3 Table of Contents

- Item 4 Advisory Business
- Item 5 Fees and Compensation
- Item 6 Performance –Based Fees and Side-By-Side Management
- Item 7 Types of Clients
- Item 8 Method of Analysis, Investment Strategies and Risk of Loss
- Item 9 Disciplinary Information
- Item 10 Other Financial Industry Activities and Affiliations
- Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading
- Item 12 Brokerage Practices
- Item 13 Review of Accounts
- Item 14 Client Referrals and Other Compensation
- Item 15 Custody
- Item 16 Investment Discretion
- Item 17 Voting Client Securities
- Item 18 Financial Information
- Item 19 Requirements for State-Registered Advisers

Item 4 Advisory Business

- A. Wade Chapman is the principal owner of CFS Wealth Management which was established in May, 2005. The firm provides fee-based investment advisory services.
- B. We primarily utilize portfolios of open-end mutual funds, however closed-end funds, ETFs and individual equities and bonds may also be utilized. The fee charged is usually determined as a percentage of the account value or based on a fixed annual fee.
- C. As the portfolios are often tailored to the individual needs of clients, clients may impose restrictions on investing in certain types of securities.
- D. We do not participate in Wrap Programs.
- E. As of 3.21.2013, we had discretionary authority over 570 client accounts worth \$74,384,824 and managed 208 non-discretionary accounts worth \$15,793,471.

Item 5 Fees and Compensation

- A. Fee arrangements are fee-based, fixed or hourly.
 - 1. Most of our clients are billed based on a percentage of the value of their account(s).

Account size up to \$249,999	Max. Annual Fee	1.75%
Account size \$250,000 to \$999,999	Max. Annual Fee	1.50%
Account size \$1,000,000 and above	Max. Annual Fee	1.25%
 - 2. A fixed annual fee of \$250 to \$10,000 (negotiable).
 - 3. Hourly Fees of \$250.
- B. Clients' fees can be deducted from their accounts quarterly or we can provide them with an invoice for payment.
- C. Clients may incur custodian imposed fees in addition to that charged by CFS.
- D. CFS bills its clients in advance for the quarter, based on the value of their account(s) based on the last business day of the preceding quarter. Clients who close/open their account during the quarter will receive/be assessed a pro-rated refund/billing based on the number of days left in the quarter.
- E. We do not receive compensation for the sale of securities, including asset-based sales charges or service fees of mutual funds, from any investment products offered to our advisory clients. We primarily utilize Fidelity Institutional Wealth Services No Transaction Fee, No-load or Load-Waived mutual fund platform. Potential conflicts of interest: Wade Chapman and Steve Anderson are registered reps with a broker/dealer and even though they do not receive both advisory fees *and* commissions on advisory clients' accounts in which they serve as registered reps, they may receive commissions on products sold as registered representatives separate from CFS. However, clients have the option to purchase any such securities at other brokers/agents with no affiliation to CFS or Mr. Chapman or Mr. Anderson. Commissions do not provide a significant portion of our advisory

clients' revenue. We do not charge advisory fees in addition to commissions or mark-ups on these types of accounts.

Item 6 Performance Based Fees and Side by Side Management

We do not provide services with performance-based fees.

Item 7 Types of Clients

We provide investment advisory services to individuals, couples, custodians, IRA owners, Trustees and business owners. Our desired minimum account size is \$50000 but we may make an exception if account aggregation considered and/or additional deposits are anticipated.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

We offer several model portfolios. 5 are based on traditional asset allocation strategy often referred to as Modern Portfolio Theory. 1 is based on utilizing parts of asset allocation and dynamic asset allocation. 1 is based on fixed income instruments only. We attempt to avoid frequent trading. We rebalance on a quarterly basis as necessary. Among others, we utilize open-end mutual funds. We utilize Morningstar for portfolio allocation model research and reporting.

Item 9 Disciplinary Information

There are no legal or disciplinary events.

Item 10 Other financial industry activities and affiliations.

Wade Chapman and Steve Anderson are registered representatives with Purshe Kaplan Sterling Investments (PKS). This creates a potential conflict of interest since Mr. Chapman or Mr. Anderson may receive compensation as a result of recommendations to purchase products and services through PKS. CFS does not charge advisory fees for client accounts held through this broker/dealer affiliation.

Item 11 Code of Ethics, Participation or Interest in client Transactions and Personal Trading

- A. CFS adopted a Code of Ethics which illustrates our commitment to ethical business practices. This Code is available to all prospective and current clients upon requests. The Management, Advisory representatives and any supervised person shall not engage in unethical business practices, including: recommending to a client the purchase, sale or exchange of any security without reasonable grounds for believing that recommendation is suitable based upon the client's investment objectives, financial situation and need.
- B. We do not recommend securities in which we have a material financial interest.
- C. We often invest in the same securities as our clients and due to our mutual fund model platform often at similar times. However, since this is almost always open-end mutual funds, ETFs or stocks with large capitalizations, and our relative small size of trades in the scope of global investment volumes in the items we trade, this does not represent a realistic danger in terms of a timing conflict of interest or front-running. However, the Chief Compliance Officer reviews IAR quarterly transaction and holdings reports to help assure that 1.No client is harmed by any supervised persons' trades and 2. Assure no supervised person receives profits at clients' expense. For example, the NAV of an open-end mutual fund is not directly affected by the volume of business received. So, our personal trading in the same fund as our client does not affect our client outcomes.

Item 12 Brokerage Practices

Custodial Services

CFS has custodial arrangements with Fidelity Investments (Fidelity), a licensed broker-dealer (member FINRA/SIPC), through Fidelity Institutional Wealth Services (FIWS).

Fidelity provides us access to its institutional trading and custody services, on-line services and desktop software for account administration and operational support, including electronic trading, account forms and applications, market data, accounting and reporting, and other administrative and support services to assist with the management of your account. In addition, Fidelity provides us proprietary and third-party research. These services offered from Fidelity generally are available to independent investment advisors at no cost provided the investment advisor maintains a minimum amount of client assets under management in accounts at Fidelity. Services offered to us that have been discounted or waived are defined as "soft dollar" services. However, access to Fidelity's online services, dedicated trading desk and service group, desktop software, and any research services provided or arranged by Fidelity will service all client accounts; we will not limit use to only those particular accounts that may have generated commissions or fees.

Direction of Transactions and Commission Rates (Best Execution)

Since we do not recommend, suggest or make available a selection of custodians, other than Fidelity for you to choose to custody your account(s), best execution may not always be achieved and you may pay higher transaction fees. Furthermore since we only use Fidelity's custodial services, we may not be able to provide you complete institutional services if you elect to use another broker-dealer. We do not recommend Fidelity solely on the lowest commission rates available. Our firm has considered our clients' investment needs; Fidelity's general reputation, trading capabilities, investment inventory, financial strength, and our personal experience working with them, among other items, in suggesting them to you. We, and our clients and industry professionals regard Fidelity as a reputable and cost-effective broker.

Directed Brokerage Arrangements

If a third-party (ex. Fidelity) refers you to us, we will not negotiate the commission rates charged to your account for the following reasons:

A. In consideration of the referral, we are not looking to appropriate your account from the third-party and business by transferring your account to another broker-dealer where you may receive better execution and commission rates. Therefore, we will leave the matter of commissions charged for execution of securities transactions for discussion and negotiation between you and the third party.

B. As a result of this pre-established relationship between you and the third-party, you may not receive overall "best execution" that otherwise may be provided if your account were not referred to us by a third-party. The reason is that you are not given the option to select a custodian for your account as indicated above under "Direction of Transactions and Commission Rates".

C. We may receive benefits from the referral arrangements. If we perform our services to your satisfaction and to the satisfaction of the third-party, there is the possibility that the third-party will refer additional clients to us. Notwithstanding such potential conflicts, we strive to serve your best interest; as well as, ensuring such disclosure is being properly made to you in compliance with industry regulations.

Item 13 Review of Accounts

An officer of the firm reviews each account on an ongoing basis to ensure that your needs and objectives are being met. We review all accounts in the context of your stated investment objectives and guidelines. We will adjust cash needs as necessary. In addition, you will receive monthly statements from the brokerage firm that custodies your account(s). Each statement will summarize the specific investments currently held, the value of your portfolio and account transactions. It is recommended that we review your account with you at least annually. Material changes in your personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, it is your responsibility to

communicate these changes to us so that the appropriate adjustments can be made.

Item 14 Client Referrals and other compensation

We do not have any financial arrangements for referrals.

Item 15 Custody

We do not have custody of client funds or securities.

Item 16 Investment Discretion

We manage our clients' accounts on either a discretionary basis or a non-discretionary basis. Clients are allowed to place restrictions and limitations but seldom do. When limitations are imposed, it is generally to keep long-held positions from being sold for tax reasons.

Item 17 Voting Client Securities

We do not vote client securities. We can assist clients in evaluating their proxies.

Item 18 Financial Information

We do not require prepayment of more than \$1200 six months or more in advance.

We do not know of any financial condition that is reasonably likely to impair our ability to meet our contractual obligations to our clients.

We have never been the subject of a bankruptcy petition.