

**Item 1 - COVER PAGE**  
**PART 2A OF FORM ADV: Firm Brochure**  
**March 7, 2017**

# **Center Street Advisors, Inc.**

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**Nashville, TN 37214**  
**Phone: 615-690-3580**

This brochure provides information about the qualifications and business practices of Center Street Advisors (“CSA”). If you have any questions about the contents of this brochure, please contact Billy Aycock by e-mail at [baycock@centerstreetadvisors.com](mailto:baycock@centerstreetadvisors.com) by U. S. mail at Center Street Advisors, 2740 Old Elm Hill Pike, Suite 201, Nashville, TN 37214, or by phone: 615-690-3580. 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 CSA is available on the Internet at the SEC’s website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To access this information, you can type in the name of the Firm or the Firm’s CRD number: 169329. Registration of Center Street Advisors as an Investment Adviser does not imply any level of skill or training.

## **Item 2 - MATERIAL CHANGES**

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure, since the last update filed on February 16, 2016.

The Material Changes made to this Brochure since the last annual update include:

1. CSA is now offering investment management services consisting of portfolios comprised of stocks, bonds, ETFs and mutual funds through the Adhesion platform. Clients will have TD Ameritrade recommended to them for brokerage and custodial services. <See Item 4 – Advisory Services, Item 5 – Fees and Compensation, Item 12 – Brokerage Practices and Item 14 – Client Referrals and Other Compensation>
2. CSA may receive marketing assistance from product sponsors such as reimbursement for seminar mailers <see Item 14 – Client Referrals and Other Compensation.>

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## **Item 4 - ADVISORY BUSINESS**

### **Center Street Advisors (“CSA”)**

CSA was established in September 2013. CSA provides customized investment management, third-party investment management with Morningstar, refers clients to third-party investment advisers (the “Manager”) in accordance with a Solicitor's Agreement in place with the respective Manager, and provides financial planning services. CSA is a wholly-owned subsidiary of Center Street Holdings, Inc. Jack R. Thacker owns 51% of Center Street Holdings, Inc. and Producers Equity Group, Inc., owns 49%. Producers Equity Group is owned by the following: Rettich Family Partnership, 89.62%; Paradigm Partners, 5.81%; Mark Peterson, 3.02%; and Jeremy Rettich, 1.55%.

### **Adhesion Wealth Advisor Solutions**

One of the overlay management programs offered by CSA is through Adhesion Wealth Advisor Solutions (“Adhesion” or “the Platform”). TD Ameritrade is the custodian for the Adhesion program. This program offers model portfolios of ETFs and/or mutual funds managed by a third-party asset manager selected by CSA. There are three platform options through Adhesion.

ETF Select – CSA will select a single ETF third-party asset manager.

Model eXchange – CSA will select a single third-party asset manager that may implement the investment strategy with a blend of ETFs and mutual funds.

Multi-Manager Allocation – CSA will select two or more third-party asset managers to offer model portfolios combined in a single account.

Tax overlay management services are available as an option for accounts utilizing Adhesion. If you elect tax overlay management services, the portion of your fee paid as the management fee on your account will increase. Adhesion will develop a tax strategy for your account based on the information and instructions provided by us on your behalf. Tax overlay management services in an investment account offer benefits and limitations, as described below. The tax strategy developed for you by Adhesion is provided solely in connection with your account and Adhesion does not provide general tax planning services. Adhesion will seek to reduce the overall tax burden of the account while seeking to maintain the risk and return characteristics of the model portfolios received from third-party asset managers. When providing tax overlay management services to the account, short-term gains are avoided where possible, but long-term gains are not limited unless you have requested a mandate to limit realized long-term gains. Adhesion will provide tax overlay management services with the assumption that Adhesion will continue to provide services to the account for an entire tax year. The termination or removal of the overlay management services before the completion of an entire tax year may result in adverse tax consequences, including without limitation realization of short-term capital gains. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

CSA does not sponsor Wrap Fee programs.

## **Item 5 - FEES AND COMPENSATION**

### **Adhesion Wealth Advisor Solutions**

Fees are charged quarterly in arrears based on the value of the account as of the last day of the prior calendar quarter. The initial fee is pro-rated from the date the initial deposit is credited to the account. There are four layers of fees in the Adhesion platform:

- CSA advisory fee – this fee is negotiable and may be up to 1% annually
- Adhesion platform fee which will include the tax overlay fee, if selected

<b>Account size</b>	<b>ETF Select or Model eXchange</b>	<b>Multi-manager Allocation</b>	<b>Tax overlay</b>
<\$750,000	0.12% annual	0.15% annual	0.12% annual
>=\$750,000	0.08% annual	0.10% annual	0.08% annual
Minimum annual fee	\$60.00	\$120.00	

- Third-party asset manager fee – can range from 0.10% to 0.75% annually and will be incorporated into the Adhesion fee
- Custodial fee to TD Ameritrade – TD Ameritrade will charge an asset-based fee in lieu of commissions on each transaction.

<b>Asset Amount</b>	<b>Pricing (annual)</b>
\$25,000 to \$250,000	0.22%
Next \$250,000	0.12%
Next \$1,500,000	0.08%
Over \$2,000,000	0.06%
Annual minimum custodial fee	\$200
Minimum initial investment	\$25,000

Custodial fees will not be assessed on any portfolio assets allocated to non-transaction fee mutual funds. If the portfolio is 100% allocated to non-transaction fee mutual funds the minimum annual fee will be waived.

Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by Managers, custodians, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of, and in addition to, CSA's fee. Clients should refer to Item 12. Brokerage Practices, for additional information.

## **Other Fees**

Clients are responsible for paying brokerage commissions or an asset-based fee in lieu of commissions. The exact fees are disclosed in the custodian's account opening paperwork. CSA's advisory fee for all accounts does not include other custodian fees, including transfer fees, margin charges, and/or other miscellaneous transaction related costs, from the assets in the account. These charges are in addition to the fees client pays to CSA.

Advice offered by CSA may involve investment in ETFs and mutual funds. Clients are advised that all fees paid to CSA for investment advisory services are separate and distinct from the fees and expenses charged by ETFs and mutual funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. This represents an additional layer of fees that impacts the investment returns. Further, there may be transaction charges involved with purchasing or selling of securities. CSA does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the client funds or securities. The client should review all fees charged by ETFs and mutual funds, CSA, and others to fully understand the total amount of fees to be paid by the client.

## **General Information on Advisory Services and Fees**

Although CSA believes its advisory fees are competitive, lower fees for comparable services may be obtained from other sources. All fees are subject to negotiation.

## **Potential Conflicts of Interest**

This section contains information concerning possible conflicts of interest that clients should be aware of on a continuing basis. CSA's Advisors may also be registered representatives of Center Street Securities, Inc., a broker-dealer registered with FINRA ("Center Street Securities"), and sell insurance products on behalf of Center Street Insurance and Thacker & Associates, each affiliates of CSA, or other insurance company where an Advisor is licensed to sell insurance products. As such, these individuals may be engaged in the purchase and sale of securities and insurance products and may receive compensation in the form of commissions through Center Street Securities, Center Street Insurance and Thacker & Associates.

Manager recommendations may include products offered by Center Street Securities, Center Street Insurance, Thacker & Associates, or other insurance company where an Advisor is licensed to sell insurance products. If a client or Manager requests that an Advisor execute transactions in their separate capacity as registered representatives or insurance agents, these individuals will earn commissions, including asset based charges or service fees from the sale of mutual funds, which are separate and distinct from the fees charged by CSA for advisory services. Clients are advised that because of these compensation arrangements, a conflict of interest may exist in connection with the recommendation of a particular investment recommendation for a client's account because this gives the Advisor an incentive to recommend investment products based on compensation received, rather than on the client's needs. This conflict is disclosed to clients in the Financial Planning Agreement, and is disclosed to clients at the time of engagement. CSA has adopted policies and procedures to address the conflicts presented by these relationships. For example, as part of the CSA's

fiduciary duty to its clients, CSA and its representatives will endeavor at all times to put the interest of its Clients first.

Clients are not obligated to use Center Street Securities, Inc., Center Street Insurance, or Thacker & Associates for the execution of any services recommended by CSA. The choice of broker/dealer and insurance company is completely at the discretion of the client.

## **Item 6 – PERFORMANCE BASED-FEES**

CSA is not compensated on the basis of a share of capital gains upon, or capital appreciation of, the funds or any portion of the funds of the client.

## **Item 7 - TYPES OF CLIENTS**

CSA provides investment advice and prepares financial plans for individuals (including high net worth individuals), trusts, estates, and charitable organizations.

CSA's cumulative household minimum account size is \$50,000. However, based on facts and circumstances, CSA may at its sole discretion, accept accounts with a lower value.

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

### **Methods of Analysis**

Third-Party Investment Manager Analysis allows CSA to examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We review the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

### **Investment Strategies**

CSA does not specialize in using one particular type of investment strategy, but rather when creating a financial plan for clients, uses different strategies designed to comply with the financial and personal history and investment objective of the client. Strategies used may include long-term purchases of securities (those held at least one year) as well as short-term purchases of securities (those that are sold within a year). Clients may accept or reject all of our financial

plan investment recommendations.

**Risk of Loss:** No investment can be made without some risk of loss. The most conservative investments risk the loss of purchasing power with virtually any amount of inflation. Most of the investments recommended will carry market risk of varying degrees. There can be no guarantee of a positive outcome of any kind and neither principal nor a return of any kind is guaranteed.

Clients should refer to each Manager's Firm Brochure or other disclosure document for a full description of their methods of analysis, investment strategies and risk of loss.

## **Item 9 - DISCIPLINARY INFORMATION**

Neither CSA nor any of its management persons are currently, or have ever been, subject to:

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction; nor have they,
1. ever been convicted of, or pled guilty or nolo contendere ("no contest") to
    - (a) any *felony*;
    - (b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, or omissions, wrongful taking of property, bribery, perjury, forgery, false statements counterfeiting, or extortion; or
    - (c) a conspiracy to commit any of these offenses;
  2. ever been named the subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  3. ever been *found* to have been *involved* in a violation of an *investment-related* statute or regulation; or
  4. ever been the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a *management person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*.
  5. an administrative proceeding state regulatory agency, or any foreign financial regulatory authority, nor have they:
  6. been *found* to have caused an *investment-related* business to lose its authorization to do business; or
  7. been *found* to have been *involved* in a violation of an *investment-related* statute or regulation or been the subject of an *order* by the agency or authority:
    - (a) denying, suspending, or revoking the authorization of your firm or a *management person* to act in an *investment-related* business;
    - (b) barring or suspending your firm's or a *management person's* association with an *investment-related* business;
    - (c) otherwise significantly limiting your firm's or a *management person's* *investment related* activities; or



- (d) imposing a civil money penalty of more than \$2,500 on your firm or a *management person*.
- B. A self-regulatory organization proceeding nor were they
  - 1. *found* to have caused an *investment-related* business to lose its authorization to do business; or
  - 2. *found* to have been *involved* in a violation of the *SRO's* rules and was:
    - (a) barred or suspended from membership or from association with other members, or was expelled from membership;
    - (b) otherwise significantly limited from *investment-related* activities; or
    - (c) fined more than \$2,500.

## **Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Billy Aycock, Chief Compliance Officer of Center Street Advisors, Inc., Due Diligence Officer and a Registered Principal with Center Street Securities.

Jack R. Thacker, President and Director of Center Street Advisors, Inc., is President and a Registered Principal with Center Street Securities.

Thomas S. Lisk, a Director of Center Street Advisors, Inc., is Chief Operating Officer and a Registered Principal with Center Street Securities.

Anna English, Corporate Secretary of Center Street Advisors, Inc., is the Corporate Secretary and Financial and Operations Principal of Center Street Securities.

Mr. Aycock, Mr. Thacker, Mr. Lisk, Ms. English, and other management persons of the Advisor are not registered and do not have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an association person of any of these entities.

Jack R. Thacker is the President of Center Street Securities, a broker/dealer, and an agent of Center Street Insurance, Inc., an insurance agency, each wholly owned by Center Street Holdings, Inc. In addition, he is owner and President of Thacker & Associates, LLC, an insurance agency. He is also the owner of Thacker Properties, LLC, a real estate management company, and owns a small family farm. Neither Thacker Properties, LLC, nor any persons affiliated with it, are real estate brokers, or dealers. He is also the owner of Resource Media, LLC, an advertising company. Mr. Thacker spends approximately 70% of his time on other business activities.

Thomas S. Lisk is the Chief Operating Officer of Center Street Securities and an agent with Center Street Insurance, LLC, an insurance agency, wholly owned by Center Street Holdings, Inc. Mr. Lisk is also an agent with Thacker & Associates, LLC an insurance agency owned by Mr. Thacker. Mr. Lisk spends approximately 60% of his time on other business activities. Billy Aycock is the Due Diligence Officer of Center Street Securities. Mr. Aycock spends approximately 40% of his time on other business activities. A conflict of interest may occur because Mr. Aycock is a registered representative of Center Street Securities and a Registered Investment Advisor for Center Street Advisors.

A conflict of interest may occur because Mr. Thacker and Mr. Lisk are registered representatives of Center Street Securities and insurance agents of Center Street Insurance and Thacker & Associates, LLC. As registered representatives and insurance agents, Mr. Thacker and Mr. Lisk receive commissions for the sale of investment and insurance products.

As stated under Item 5(e) Fees and Compensation, Manager recommendations may include products offered by Center Street Securities, Center Street Insurance or Thacker & Associates. If a client or Manager requests that an Advisor execute transactions in their separate capacity as registered representatives or insurance agents, these individuals will earn commissions, including asset based charges or service fees from the sale of mutual funds, which are separate and distinct from the fees charged by CSA for advisory services. Clients are advised that because of these compensation arrangements, a conflict of interest may exist in connection with the recommendation of a particular investment recommendation for a Client's account because this gives the Advisor an incentive to recommend investment products based on compensation received, rather than on the client's needs. This conflict is disclosed to clients in the Financial Planning Agreement, and is disclosed to clients at the time of engagement. CSA has adopted policies and procedures to address the conflicts presented by these relationships. For example, as part of the CSA's fiduciary duty to its clients, CSA and its representatives will endeavor at all times to put the interest of its clients first.

Clients are not obligated to use Center Street Securities, Inc., Center Street Insurance, or Thacker & Associates the execution of any services recommended by CSA. The choice of broker/dealer is completely at the discretion of the client.

## **Item 11 - CODE OF ETHICS**

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act") CSA has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all employees of the firm. The Code of Ethics describes the firm's fiduciary duties and obligations to clients, and sets forth the firm's practice of supervising the personal securities transactions of employees who maintain access to client information. Employees of CSA have received a copy of the Code of Ethics and acknowledge having read and understood it.

A copy of the Code of Ethics is available to existing and prospective clients upon request by notifying Mr Aycock via the phone number, e-mail address, or U.S. Postal address listed on the Cover Page.

Neither CSA nor any of its related persons recommends securities to clients, or buys or sells for client accounts, securities in which CSA or the employee has a material financial interest.

Neither CSA nor any of its related persons recommend securities to clients.

Neither CSA nor any of its related persons recommend securities to clients.

## **Item 12 - BROKERAGE PRACTICES**

### CSA Investment Management Services

Advisor participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

### Third-Party Investment Mangers

CSA does not select or recommend broker-dealers for client transactions. Clients should refer to each Manager's Firm Brochure or other disclosure document for specific information its' Brokerage Practices.

## **Item 13 - REVIEW OF ACCOUNTS**

All accounts that are referred to a Manager are reviewed at least annually, by the relevant CSA Advisor, to ensure that the Manager is acting in accordance with the client's stated investment objectives.

CSA reviews client accounts and recommends adjustments in the event of changes in market conditions or the personal financial situation of the client.

CSA does not provide regular reporting to clients. Clients will receive statements from the Managers and qualified custodians.

## **Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

### Benefits Received from TD Ameritrade

As disclosed under Item 12, above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services

made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

#### **Item 15 - CUSTODY**

Under no circumstances will CSA have custody of client funds or securities. All client funds and securities are held by a qualified custodian who provides clients with a statement of their account at least quarterly. Clients are urged to compare and reconcile their account statements with the information received from CSA.

#### **Item 16 - INVESTMENT DISCRETION**

CSA does not have discretionary authority over any client accounts.

Recommendations in non-discretionary accounts are communicated to the client, and the client makes all investment decisions.

#### **Item 17 - VOTING CLIENT SECURITIES**

CSA does not, and will not, accept authority vote securities on behalf of advisory clients.

CSA does not have authority to vote client securities. Clients are responsible for receiving and voting proxies for any and all securities maintained in their accounts.

#### **Item 18 - FINANCIAL INFORMATION**

Under Rule 206(4)-4 of the Advisers Act, investment advisers are required to disclose certain information about their business practices that might serve as material to the client's decision in choosing an investment adviser.

CSA does not require the pre-payment of any fees six months or more in advance of services or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligation to clients.