

# **CarrThaxton Financial Group, LLC**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 29, 2016**

This Form ADV2A (“Disclosure Brochure”) provides information about the qualifications and business practices of CarrThaxton Financial Group, LLC (“CarrThaxton” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (781) 861-9700.

CarrThaxton is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through CarrThaxton to assist you in determining whether to retain the Advisor.

Additional information about CarrThaxton and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD number - **174135**.

**CarrThaxton Financial Group, LLC**  
**420 Bedford Street, Suite 330, Lexington, MA 02420**  
**Phone: (781) 861-9700 \* Fax: (781) 861-3855**  
[www.carrthaxton.com](http://www.carrthaxton.com)

## Item 2 – Material Changes

---

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of CarrThaxton.

CarrThaxton believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. CarrThaxton encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

The following changes have been made to this version of the Disclosure Brochure:

- Item 4: The Advisor has amended the Investment Management Services as part of its overall advisory services. Please see Item 4 for additional information.
- Item 5: The Advisor has amended the fee structure for its overall advisory services. Please see Item 5 for additional information.
- Item 10: Effective April 2016, the Advisor will be removing their Investment Advisory relationship and registrations with LPL Financial. Please see Item 10 for additional information.
- The Advisor has included Appendix 1 – Wrap Fee Brochure as part of this Disclosure Brochure to streamline disclosures.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of CarrThaxton.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD number - **174135**. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (781) 861-9700.

### Item 3 – Table of Contents

---

<b>Item 1 – Cover Page .....</b>	<b>1</b>
<b>Item 2 – Material Changes .....</b>	<b>2</b>
<b>Item 3 – Table of Contents .....</b>	<b>3</b>
<b>Item 4 – Advisory Services.....</b>	<b>4</b>
A. Firm Information .....	4
B. Advisory Services Offered .....	4
C. Client Account Management .....	5
D. Wrap Fee Programs .....	6
E. Assets Under Management .....	6
<b>Item 5 – Fees and Compensation .....</b>	<b>6</b>
A. Fees for Advisory Services .....	6
B. Fee Billing.....	7
C. Other Fees and Expenses.....	7
D. Advance Payment of Fees and Termination .....	7
E. Compensation for Sales of Securities .....	8
<b>Item 6 – Performance-Based Fees and Side-By-Side Management .....</b>	<b>8</b>
<b>Item 7 – Types of Clients .....</b>	<b>8</b>
<b>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>9</b>
A. Methods of Analysis .....	9
B. Risk of Loss .....	9
<b>Item 9 – Disciplinary Information.....</b>	<b>10</b>
<b>Item 10 – Other Financial Industry Activities and Affiliations .....</b>	<b>10</b>
<b>Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>10</b>
A. Code of Ethics .....	10
B. Personal Trading with Material Interest.....	10
C. Personal Trading in Same Securities as Clients .....	10
D. Personal Trading at Same Time as Client.....	11
<b>Item 12 – Brokerage Practices .....</b>	<b>11</b>
A. Recommendation of Custodian[s] .....	11
B. Aggregating and Allocating Trades .....	12
<b>Item 13 – Review of Accounts.....</b>	<b>12</b>
A. Frequency of Reviews .....	12
B. Causes for Reviews.....	12
C. Review Reports .....	12
<b>Item 14 - Client Referrals and Other Compensation .....</b>	<b>12</b>
A. Compensation Received by CarrThaxton.....	12
B. Client Referrals from Solicitors .....	13
<b>Item 15 – Custody .....</b>	<b>13</b>
<b>Item 16 – Investment Discretion .....</b>	<b>13</b>
<b>Item 17 – Voting Client Securities .....</b>	<b>13</b>
<b>Item 18 – Financial Information .....</b>	<b>13</b>
<b>Form ADV Part 2A Appendix 1 – Wrap Fee Program Brochure.....</b>	<b>14</b>
<b>Privacy Policy .....</b>	<b>20</b>

## **Item 4 – Advisory Services**

---

### **A. Firm Information**

CarrThaxton, LLC (“CarrThaxton” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). CarrThaxton was organized as a Limited Liability Company (“LLC”) under the laws of the Commonwealth of Massachusetts in July 2013 and became a registered investment advisor in July 2015. CarrThaxton is owned and operated by Scott Edward Thaxton (Managing Member and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by CarrThaxton.

### **B. Advisory Services Offered**

CarrThaxton offers investment advisory services to individuals, high net worth individuals, trusts, estates, pension and profit sharing plans, charitable organizations, corporations and other business entities in the Commonwealth of Massachusetts and other states (each referred to as a “Client”).

#### Investment Management Services

CarrThaxton provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services.

CarrThaxton customizes its advice to the needs of each Client through its “open architecture” approach. CarrThaxton works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. CarrThaxton will then construct a portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”), variable annuity subaccounts, real estate investment trusts (“REITs”), equities, and fixed income securities to achieve the Client’s investment goals. The Advisor may also utilize other types of investments, as appropriate, to meet the needs of its Clients.

CarrThaxton’s investment strategy is focused on long-term investing and asset allocation. While CarrThaxton’s investment strategies are long-term focused, the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. CarrThaxton will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

CarrThaxton evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. CarrThaxton may recommend, on occasion, redistributing investment allocations to diversify the portfolio. CarrThaxton may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. CarrThaxton may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

CarrThaxton will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will CarrThaxton accept or maintain custody of a Client’s funds or securities, except for authorized deduction of the Advisor’s fees. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client investment advisory agreement.

#### Financial Planning Services

CarrThaxton will typically provide a variety of financial planning services to individuals and families, pursuant to a written Financial Planning or Consulting Agreement. Services are offered in several areas of a Client’s financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to tax planning, investment planning, retirement planning, estate needs, business needs, education planning, life and disability insurance needs, long-term care needs, cash flow/budget planning and other areas of a Client's financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. CarrThaxton may also refer Clients to an accountant, attorney or other specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to effect the transaction through the Advisor.

#### Retirement Plan Advisory Services

CarrThaxton provides retirement plan advisory services to the sponsors or company retirement plans. CarrThaxton serves as a 3(38) Fiduciary in support of the Plan Sponsor. CarrThaxton provides the following Plan Fiduciary Services pursuant to the terms of the Advisor's agreement with each Plan Sponsor:

- Vendor Analysis
- Employee Enrollment and Education Tracking
- Investment Monitoring
- Performance Reports
- Ongoing Investment Recommendation and Assistance
- ERISA 404(c) Assistance
- Benchmarking Services

Communication and Education - CarrThaxton provides Communication and Education to the Plan and its Participants, pursuant to the terms of the Advisor's agreement with each Plan Sponsor:

- Investment education
- Periodic on-site advisor visits with staff for account updates and reviews
- Periodic employee group education opportunities

#### **C. Client Account Management**

Prior to engaging CarrThaxton to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – CarrThaxton, in connection with the Client, may develop a strategy that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives.
- Asset Allocation – CarrThaxton will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.

- Portfolio Construction – CarrThaxton will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.

Investment Management and Supervision – CarrThaxton will provide investment management and ongoing oversight of the Client's portfolio.

#### **D. Wrap Fee Programs**

CarrThaxton may pay the securities transaction fees for Client accounts as part of its overall investment advisory fee (See Item 5 – Fees and Compensation). The inclusion of these securities transaction costs into the investment advisory fee is generally considered a "Wrap Fee Program". While traditional wrap fee programs often have a defined set of investment options and uniform trading practices, CarrThaxton customizes its investment advisory services for its Clients. CarrThaxton's Wrap Fee Program merely provides for these services under a single annualized fee. A copy of this Wrap Fee Program Brochure is attached as Appendix 1 to this Disclosure Brochure and should always accompany this complete Disclosure Brochure.

#### **E. Assets Under Management**

As of March 17, 2016, CarrThaxton manages \$111,089,518 in assets, all of which are on a discretionary basis.

Clients may request more current information at any time by contacting the Advisor.

### **Item 5 – Fees and Compensation**

---

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign one or more agreements that detail the responsibilities of CarrThaxton and the Client.

#### **A. Fees for Advisory Services**

##### Investment Management Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment advisory fees range from 2.00% to 0.50% based on the size and complexity of the Client relationship and the overall services to be provided. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions, smaller investment accounts and other complexities may be charged a higher fee. Relationships where the Advisor absorbs securities transaction fees may be charged a higher fee. Please see Item 4.D. above. Fees may be negotiable at the sole discretion of the Advisor.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by CarrThaxton will be independently valued by the designated Custodian. CarrThaxton will not have the authority or responsibility to value portfolio securities.

##### Financial Planning Services

CarrThaxton generally offers financial planning services on an hourly basis ranging from \$250 to \$400 per hour, which may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours will be determined prior to establishing the advisory relationship.

In certain instances financial planning may be provided based on a fixed fee for services. While individual complexities will determine the fixed fee charged, the minimum fixed fee is generally not less than \$250 and will be based on the number of hours estimated to complete the plan but not billed based on actual hours.

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs. The hourly fees are determined after considering many factors, such as the level and scope of the services.

CarrThaxton does not accept advance payment of \$1200 or more for services expected to be completed six (6) months or more in advance.

#### Retirement Plan Advisory Services

Retirement plan advisory fees are paid quarterly, at the end of each calendar quarter, pursuant to the terms of the retirement plan advisory agreement. Fees are calculated as a percentage of assets under management ranging from 2.00% per year to .65% per year, based on the market value of assets in the plan on the last day of the prior calendar quarter. Fees are negotiable based on the size and complexity of the services provided to the Plan..

### **B. Fee Billing**

#### Investment Management Services

Investment advisory fees will be calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The quarterly fee is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with CarrThaxton at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting CarrThaxton to be paid directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### Financial Planning Services

Financial planning fees may be invoiced up to 50% upon execution of the agreement with the balance due upon receipt of the agreed upon deliverable[s]. Additional terms are described in Item 5.A. above.

#### Retirement Plan Advisory Services

Fees may be deducted from the accounts of the Plan Participants or paid by the Plan Sponsor.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than CarrThaxton, in connection with investments made on behalf of the Client's account[s]. CarrThaxton may include securities transactions costs as part of its overall advisory fees. Please see Item 4.D. above and the attached Wrap Fee Program Brochure.

In addition, all fees paid to CarrThaxton for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. The Client should review both the fees charged by the fund[s] and the fees charged by CarrThaxton to fully understand the total fees to be paid.

### **D. Advance Payment of Fees and Termination**

#### Investment Management

CarrThaxton is compensated for its investment management services in advance of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement with CarrThaxton, at any time, by providing advance written notice to the other party. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's written approval.



### Financial Planning Services

CarrThaxton may be partially compensated for its financial planning services in advance of providing such services. Either the Client or the Advisor may terminate the financial planning agreement, at any time, by providing advance written notice to the other party. The Client shall be responsible for planning fees up to and including the effective date of termination. For hourly engagements, the Client shall be responsible for fees based on the actual hours for which the Advisor worked on the engagement. Upon termination, the Advisor will refund any unearned, prepaid planning fees to the Client. The Client's financial planning agreement with the Advisor is non-transferable without the Client's written approval.

### Retirement Plan Advisory Services

Either party may request to terminate their services with CarrThaxton, in whole or in part, by providing advance written notice to the other party. The Client shall be responsible for advisory fees up to and including the effective date of termination. The Client's retirement plan services agreement with the Advisor is non-transferable without the Client's written approval.

### **E. Compensation for Sales of Securities**

CarrThaxton does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above.

Advisory Persons of the Advisor, in their separate capacity as registered representatives, may receive commissions for certain transactions instead of ongoing advisory fees. Clients can engage certain Advisory Persons associated with CarrThaxton (but not CarrThaxton) to render securities brokerage services under a commission arrangement through LPL Financial LLC, a registered broker-dealer (CRD No. 6413), member FINRA, SIPC (herein "LPL Financial").

Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with CarrThaxton. Under this arrangement, Clients may implement securities transactions through certain of CarrThaxton's Advisory Persons in their respective individual capacities as registered representatives of LPL Financial. Prior to effecting any transactions Clients are required to enter into a new account agreement with LPL Financial. The brokerage commissions charged by LPL Financial may be higher or lower than those charged by other broker-dealers. In addition, certain of CarrThaxton's Advisory Persons may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the Client maintains the mutual fund investment. CarrThaxton does not charge an ongoing investment advisory fee on the same assets for which an Advisory Person also receives commissions. Please see Item 10.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

---

CarrThaxton does not charge performance-based fees for its investment advisory services. The fees charged by CarrThaxton are as described in "Item 5 – Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client.

CarrThaxton does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

### **Item 7 – Types of Clients**

---

CarrThaxton offers investment advisory services to individuals, high net worth individuals, trusts, and estates. The relative percentage of each type of Client is available on CarrThaxton's Form ADV Part 1. These percentages will change over time. CarrThaxton generally does not impose a minimum account size for establishing a relationship, but certain investment programs or strategies do impose minimums.



## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

---

### **A. Methods of Analysis**

CarrThaxton primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from CarrThaxton is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, CarrThaxton generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. CarrThaxton will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, CarrThaxton may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. CarrThaxton will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

The Advisor's methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations such as:

- **Market Risk** - the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk** - the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk** - the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

---

**There are no legal, regulatory or disciplinary events involving CarrThaxton or any of its Supervised Persons.** CarrThaxton and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# - 174135.

## **Item 10 – Other Financial Industry Activities and Affiliations**

---

### Broker-Dealer Affiliation

Advisory Persons of CarrThaxton are also registered representatives of LPL Financial. In their separate capacity as registered representatives, Advisory Persons will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by Advisory Persons of CarrThaxton. Neither CarrThaxton nor its Advisory Persons will earn ongoing investment advisory fees in connection with any services implemented in an Advisory Person's separate capacity as a registered representative. Generally, recommendations made by CarrThaxton to its Clients are implemented by Advisory Persons in their role as investment advisor representatives of CarrThaxton and not in their role as registered representatives of LPL Financial. In no circumstances will CarrThaxton earn an ongoing investment advisory fee and a commission on the same investment assets.

### Insurance Agency Affiliations

Advisory Persons of CarrThaxton are also independent licensed insurance professionals. Implementations of insurance recommendations are separate and apart from an Advisory Person's role with CarrThaxton. As an insurance professional, an Advisory Person may receive customary commissions and other related revenues from the various insurance companies whose products are purchased. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by CarrThaxton or any of its Advisory Persons.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

---

### **A. Code of Ethics**

CarrThaxton has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with CarrThaxton (our "Supervised Persons"). The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. CarrThaxton and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of the Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (781) 861-9700.

### **B. Personal Trading with Material Interest**

CarrThaxton allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. CarrThaxton does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. CarrThaxton does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

CarrThaxton allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies

and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, Supervised Persons of CarrThaxton may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by CarrThaxton requiring reporting of personal securities trades by its Supervised Persons for review by the employee's supervisor or the Chief Compliance Officer ("CCO") or delegate. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

In addition, the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

#### **D. Personal Trading at Same Time as Client**

While CarrThaxton allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will CarrThaxton, or any Supervised Person of CarrThaxton, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

---

#### **A. Recommendation of Custodian[s]**

CarrThaxton does not have discretionary authority to select the broker-dealer/Custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or Custodian (herein the "Custodian") to safeguard Client assets and authorize CarrThaxton to direct trades to this Custodian as agreed in the Investment Advisory Agreement. Further, CarrThaxton does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where CarrThaxton does not exercise discretion over the selection of the Custodian, it typically recommends LPL Financial as the Custodian for execution and/or custodial services. CarrThaxton typically recommends that Clients establish their brokerage account[s] at LPL Financial as the Advisor maintains an institutional relationship and its Advisory Persons are also registered representatives of LPL Financial's broker-dealer (Please see Item 10). The Advisor may be limited in using other custodians, as any Custodian utilized by the Advisor must be approved by LPL Financial. CarrThaxton also receives services from LPL Financial that are described in Item 14 below.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. **CarrThaxton does not participate in soft dollar programs sponsored or offered by any broker-dealer.**

**2. Brokerage Referrals** - CarrThaxton does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where CarrThaxton will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the Custodian, CarrThaxton will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated Custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. CarrThaxton will execute its transactions through an unaffiliated broker-dealer selected by the Client. CarrThaxton may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## **Item 13 – Review of Accounts**

---

### **A. Frequency of Reviews**

Investment in Client accounts are monitored on a regular and continuous basis by Advisory Persons of CarrThaxton. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client. For those Clients that engage for financial planning services as part of its wealth management services, such reviews are conducted on an “as needed” basis. All Clients are encouraged to discuss their needs, goals, and objectives with CarrThaxton and to keep CarrThaxton informed of any changes thereto. CarrThaxton contacts ongoing advisory Clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the Client’s financial situation and/or investment objectives

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client’s request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client’s financial situation, and/or large deposits or withdrawals in the Client’s account[s]. The Client is encouraged to notify CarrThaxton if changes occur in the Client’s personal financial situation that might adversely affect the Client’s investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the trustee or Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian’s website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client’s account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

## **Item 14 - Client Referrals and Other Compensation**

---

### **A. Compensation Received by CarrThaxton**

CarrThaxton does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. CarrThaxton may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, CarrThaxton may receive referrals of new Clients from a third-party.

#### Broker-Dealer Affiliation

Advisory Persons of CarrThaxton are also registered representatives of LPL Financial. In their separate capacity as registered representatives, Advisory Persons will receive commissions for the implementation of recommendations for commissionable transactions. Additional details are included in Item 10 above.

#### Insurance Agency Affiliations

Certain Advisory Persons of CarrThaxton are also licensed insurance professionals. As insurance professionals, Advisory Persons may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Additional details are included in Item 10 above.

#### Participation in Institutional Advisor Platform

LPL Financial offers independent investment advisors with support services, which include custody of securities, trade execution, clearance and settlement of transactions. CarrThaxton receives various benefits from LPL Financial through its relationship with them.

#### **B. Client Referrals from Solicitors**

CarrThaxton does not engage paid solicitors for Client referrals.

#### **Item 15 – Custody**

---

CarrThaxton does not accept or maintain custody of any Client accounts, except for the authorized deduction of the advisor's fee. All Clients must place their assets with a qualified custodian. Clients are required to establish their investment account[s] at the Custodian and direct CarrThaxton to utilize that Custodian for the Client's security transactions. CarrThaxton encourages Clients to review statements provided by the account Custodian. For more information about Custodians and brokerage practices, see "Item 12 - Brokerage Practices".

#### **Item 16 – Investment Discretion**

---

CarrThaxton generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by CarrThaxton. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by CarrThaxton will be in accordance with each Client's investment objectives and goals.

#### **Item 17 – Voting Client Securities**

---

CarrThaxton does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

#### **Item 18 – Financial Information**

---

Neither CarrThaxton, nor its management, have any adverse financial situations that would reasonably impair the ability of CarrThaxton to meet all obligations to its Clients. Neither CarrThaxton, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. CarrThaxton is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

# **Form ADV Part 2A Appendix 1 – Wrap Fee Program Brochure**

**Effective: March 29, 2016**

This Form ADV2A – Appendix 1 (“Wrap Fee Program Brochure”) provides information about the qualifications and business practices of CarrThaxton Financial Group, LLC (“CarrThaxton” of the “Advisor”) when offering services pursuant to a wrap fee program. If you have any questions about the contents of this Disclosure Brochure, please contact us at (781) 861-9700.

CarrThaxton is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Wrap Fee Program Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Wrap Fee Program Brochure provides information about CarrThaxton to assist you in determining whether to retain the Advisor.

Additional information about CarrThaxton and its advisory persons are available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD number – **174135**.

## Item 2 – Material Changes

---

Form ADV 2 Appendix 1 provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. In particular, this Brochure discusses wrap fee programs offering by the Advisor.

CarrThaxton believes that communication and transparency are the foundation of our relationship and continually strive to provide our Clients with the complete and accurate information at all times. We encourage all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

This is the initial version of the CarrThaxton Wrap Fee Program Brochure as the Advisor recently started to offer investment management services. Please see Item 4 of ADV 2A – Disclosure Brochure for which this Wrap Fee Program Brochure is appended.

### Future Changes

From time to time, we may amend this Wrap Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Wrap Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of CarrThaxton.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD number - **174135**. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (781) 861-9700.

## Item 3 – Table of Contents

---

Item 1 – Cover Page .....	15
Item 2 – Material Changes .....	15
Item 3 – Table of Contents .....	15
Item 4 – Services Fees and Compensation .....	16
Item 5 – Account Requirements and Types of Clients .....	17
Item 6 – Portfolio Manager Selection and Evaluation.....	17
Item 7 – Client Information Provided to Portfolio Managers.....	18
Item 8 – Client Contact with Portfolio Managers.....	18
Item 9 – Additional Information .....	18



## **Item 4 – Services Fees and Compensation**

---

### **A. Services**

CarrThaxton provides customized wealth advisory services for its Clients. The CarrThaxton Wrap Program (“Program”) is an investment advisory program sponsored by CarrThaxton, a registered investment advisor with the Securities and Exchange Commission.

This customized solution is achieved through continuous personal Client contact and interaction while providing discretionary investment management and planning/consulting services. CarrThaxton works with each Client to identify their comprehensive goals as well as risk tolerance and financial situation in order to initiate a strategy for supporting the Client. CarrThaxton will then construct a portfolio to meet the specific objectives of each Client. Portfolios are customized to the needs of each client, but are typically constructed with a combination of individual equity securities, individual fixed income securities, mutual funds, exchange-traded funds (“ETFs”), options and limited partnerships.

CarrThaxton may periodically deliver investment management services through its affiliated institutional asset management division, CarrThaxton, LLC (“CarrThaxton AM”). CarrThaxton AM provides institutional investment management through their proprietary investment strategies. These investment strategies are delivered through individual managed accounts, registered investment companies (mutual funds) and private, non-registered funds.

Investment Advisory Fees are paid either monthly or quarterly in advance pursuant to the terms of the Investment Advisory Agreement (herein the “billing period”). Investment Advisory Fees are based on the market value of assets under management at the end of the prior billing period. Investment Advisory Fees range from 2.00% to 0.85% depending on the size and complexity of the Client relationship. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

The Program is offered as a wrap fee program, which in this case means clients have the ability to trade in certain investment products without incurring separate brokerage commissions or transactions charges. Investment Advisory Fees paid by the Client pay for both the investment advisory services and costs associated with the execution of transactions.

### **B. Program Costs**

Services provided under the Program may cost the Client more or less than purchasing these types of investment management services separately. The costs of the wrap program varies depending on services to be provided be to each Client.

CarrThaxton provides this Wrap Brochure as the Advisor pays all normal securities transactions costs associates with CarrThaxton investment strategies.

### **C. Fees**

The CarrThaxton Wrap Fee Program includes typical securities trading costs incurred in connection with the discretionary investment management services provided by CarrThaxton. Securities transaction fees for Client-directed trades may be charged to the Client. Clients engaging the Advisor under this Wrap Fee Program will typically pay a higher overall investment advisory fee, but will not be responsible for securities transaction fees for their accounts. Clients should discuss the expected level of trading in the Client’s account[s] to determine whether to engage the Advisor under this Wrap Fee Program or pay for securities transaction fees separately. Fees may be negotiable at the sole discretion of the Advisor.

Aside from the securities transaction fees, Clients may also incur certain fees or charges imposed by third parties, which are not included as part of the Wrap Fee. Such other fees, which may include wire transfer fees, small account fees and other fees charged by the Custodian are not included in the Advisor’s Wrap Fee. The Advisor does not receive any portion of such fees.

In addition, all fees paid to CarrThaxton for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee as a shareholder in a fund. Please see Item 5.C. of the Disclosure Brochure.

#### **D. Compensation**

CarrThaxton is the sponsor and portfolio manager of the Program. CarrThaxton receives the advisory fees paid by Clients for investment advisory services covered under this Wrap Fee Program.

### **Item 5 – Account Requirements and Types of Clients**

---

CarrThaxton offers investment advisory services to high net worth individuals, trusts, and estates. Please see Item 7 of the Disclosure Brochure.

### **Item 6 – Portfolio Manager Selection and Evaluation**

---

#### **A. Portfolio Manager Selection**

CarrThaxton acts as sponsor and as portfolio manager for the Program. The Advisor does not select third-party advisors to manage the Program

#### **B. Related Persons**

CarrThaxton personnel do act as portfolio manager for the Program. CarrThaxton only manages this wrap fee program. It does not act as portfolio manager for any third-party wrap fee programs.

#### **C. Supervised persons**

CarrThaxton supervised persons act as portfolio managers for the wrap fee program described in this Brochure. Please refer to the Items 4 and 8 of the Disclosure Brochure for details on the services provided by CarrThaxton. For information related to the background of CarrThaxton supervised persons, please see Items 9 and 11 of the Disclosure Brochure.

#### Performance-Based Fees

CarrThaxton does not charge performance-based fees for its investment advisory services. The fees charged by CarrThaxton are as described in "Item 5 – Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client. CarrThaxton does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients. Please see Item 6 of the Disclosure Brochure.

#### Methods of Analysis

CarrThaxton primarily employs both fundamental and technical analysis methods in developing investment strategies for its Clients. Research and analysis from CarrThaxton is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, CarrThaxton generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. CarrThaxton will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, CarrThaxton may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

#### Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. CarrThaxton will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. Please see Item 8.B of the Disclosure Brochure.

#### Voting Client Securities

CarrThaxton does not accept proxy-voting responsibility for any Client. Clients may receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

### **Item 7 – Client Information Provided to Portfolio Managers**

---

CarrThaxton is the sponsor and sole portfolio manager for the Program. In addition, CarrThaxton may periodically deliver investment management services through its affiliated institutional asset management division, CarrThaxton, LLC. The Advisor does not share Client information with other portfolio managers because it is the sole portfolio manager for this Program.

### **Item 8 – Client Contact with Portfolio Managers**

---

CarrThaxton is the sponsor and sole portfolio manager for this Program. There is no restriction on the Client's ability to contact CarrThaxton.

### **Item 9 – Additional Information**

---

#### **A. Disciplinary Information and Other Financial Industry Activities and Affiliations**

##### Disciplinary Information

There are no legal, regulatory or disciplinary events involving CarrThaxton or any of its employees. CarrThaxton and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter 174135 in the field labeled "Firm IARD/CRD Number". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions.

*Massachusetts Residents* - In addition to the Investment Adviser Public Disclosure website, you may also obtain information relating to the disciplinary history of any investment advisor and representative conducting business in Massachusetts by contacting the Commonwealth of Massachusetts Securities Division at (617) 727-3548.

##### Other Financial Activities and Affiliations

*Broker-Dealer Affiliation* - Advisory Persons may also be registered representatives of LPL Financial. In an Advisory Person's separate capacity as a registered representative, the Advisory Person will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by an Advisory Person. Neither the Advisor nor an Advisory Person will earn ongoing investment advisory fees in connection with any services implemented in the Advisory Person's separate capacity as a registered representative. In addition, certain Advisory Persons of CarrThaxton may also be investment advisor representatives of LPL Financial.

*Insurance Agency Affiliations* - IARs of CarrThaxton may serve as independent licensed insurance professionals. Implementations of insurance recommendations are separate and apart from an Advisory Person's role with CarrThaxton. As an insurance professional, an IAR may receive customary commissions and other related revenues from the various insurance companies whose products are purchased. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain

products of the insurance companies. Clients are under no obligation to implement any recommendations made by CarrThaxton or any of its IARs.

## **B. Code of Ethics, Review of Accounts, Client Referrals, and Financial Information**

### Code of Ethics

CarrThaxton has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with CarrThaxton (our "Supervised Persons"). The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. CarrThaxton and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of CarrThaxton Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. CarrThaxton has written its Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at (781) 547-8660.

### Personal Trading and Conflicts of Interest

CarrThaxton allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you. At no time, will CarrThaxton or any Supervised Person of CarrThaxton, transact in any security to the detriment of any Client. Please see item 11 of the Disclosure Brochure.

### Review of Accounts

Accounts are monitored on a regular and continuous basis by advisory persons of CarrThaxton. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify CarrThaxton if changes occur in his/her personal financial situation that might adversely affect his/her investment plan. Additional reviews may be triggered by material market, economic or political events.

### Other Compensation

As noted throughout this Disclosure Brochure, Advisory Persons may also be registered representatives or investment advisor representatives of LPL Financial and/or licensed insurance professionals. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the Item 10 above.

### Client Referrals from Solicitors

CarrThaxton does not receive any compensation from any third party in connection with providing investment advisory services to its Clients.

### Financial Information

Neither CarrThaxton, nor its management has any adverse financial situations that would reasonably impair the ability of CarrThaxton to meet all obligations to its Clients. CarrThaxton is not required to deliver a balance sheet along with this Disclosure Brochure, as the Advisor does not collect fees of \$500 or more for services to be performed six months or more in advance.

## Privacy Policy

Effective March 29, 2016

### Our Commitment to You

CarrThaxton, LLC ("CarrThaxton" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. CarrThaxton (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

CarrThaxton does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

---

**CarrThaxton Financial Group, LLC**  
420 Bedford Street, Suite 330 \* Lexington, MA 02420  
Phone: (781) 861-9700 \* Fax: (781) 861-3855  
[www.carrthaxton.com](http://www.carrthaxton.com)

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> CarrThaxton does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where CarrThaxton or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> CarrThaxton does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### State-specific Regulations

Massachusetts	In response to a Massachusetts law, clients must "opt-in" to share non-public personal information with non-affiliated third parties before any personal information is disclosed. We may disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account.
---------------	---

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (781) 861-9700.