

**Part 2A of Form ADV: *Firm Brochure***

**Country Club Financial Services, Inc.**

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Kansas City, MO 64112

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March 31, 2018

This brochure provides information about the qualifications and business practices of Country Club Financial Services, Inc. (CCFSI). If you have any questions about the contents of this brochure, please contact us at 816-751-9334 or [sdershem@countryclubfinancial.com](mailto:sdershem@countryclubfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Country Club Financial Services, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 29807.

## **Item 2    Material Changes**

This Brochure, dated March 31, 2018, is our annual amendment to Country Club Financial Services, Inc.'s previously published annual update Brochure. It is used to provide our clients with a summary of any new and/or updated information.

Country Club Financial Services, Inc. has started winding down our advisory services. We currently have only a small number of accounts remaining, and they are in the process of transferring to another registered investment advisor. When all accounts have transferred, Country Club Financial Services will then file the ADV-W with the SEC to withdraw the firm's registration as a registered investment advisor.

The pages that follow describe the advisory services that Country Club Financial Services, Inc. conducted.

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## **Item 4    Advisory Business**

Country Club Financial Services, Inc. (CCFSI) is registered with the Securities and Exchange Commission as an investment adviser and began conducting business as such in 2002.

CCFSI is based in Missouri and has its principal place of business at One Ward Parkway, Kansas City, MO. Regular business hours are from 8:00 a.m. to 5:00 p.m. Monday through Friday. The firm can be contacted by phone at (816) 751-9334 or by fax at (816) 751-1492.

CCFSI is owned by Country Club Bank, which is owned and controlled by CCB Corp.

As of March 31, 2018, CCFSI managed approximately \$7,483,000 of assets on a non-discretionary basis.

Our investment recommendations have not been limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- Exchange traded funds
- United States governmental securities

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Country Club Financial Services, Inc. offered the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provided continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances were established, we developed a client's personal investment policy and created and managed a portfolio based on that policy. During our data-gathering process, we determined the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also reviewed and discussed a client's prior investment history, as well as family composition and background. A document was prepared that set forth the client's investment objectives, explained asset allocation, recommended an investment strategy and described the investment process.

Clients could impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provided asset management of client funds based on the individual needs of the client. This was done through an Advisory Services Management Program which was administered by our affiliate registered investment adviser, Tower Wealth Managers, Inc.(TWM). This program was offered as a fee-based advisory program. TWM served as a sub-adviser to CCFSI under a subadvisory agreement under which CCFSI's clients elected to enroll in the portfolio management program. TWM provided investment management strategies based on specific investment objectives, asset allocations or model portfolios.

Through personal discussions in which goals and objectives based on the client's particular circumstances were established, we developed the client's personal Investment Policy Statement (IPS). During our data-gathering process, we determined the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may have also reviewed and discussed a client's prior investment history, as well as family composition and background. The IPS was then used to develop the client's Investor Profile in which the client selected strategies with the help of investment management advice provided by CCFSI's financial adviser. The financial adviser maintained communication with the client to monitor the client's investment objectives

and any changes in the client's individual circumstances.

TWM provided ongoing monitoring of client accounts to ensure adherence to the Investor Profile Strategy selections. TWM rebalanced client accounts as necessary to conform to the IPS. CCFSI's financial adviser forwarded any changes in the client's investment policy, asset allocation, strategy selections or individual situation to TWM, which would then make appropriate and necessary adjustments in the client's account.

Under the program, TWM acted in a discretionary capacity to purchase and sell securities held in client accounts consistent with Strategies selected by CCFSI's clients, and CCFSI did not act in a discretionary capacity. Additional information about Tower Wealth Managers, Inc. and the Advisory Services Management Program can be found in the Tower Wealth Managers, Inc. Form ADV Part 2.

Clients could impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Advisory Services Management Program accounts are custodied at Country Club Trust Company, N. A. (CCTC), an affiliate of CCFSI and TWM, under an agreement between TWM and CCTC. CCFSI clients selected CCTC as the account custodian in the client's Advisory Services Management Agreement and agreed to pay CCTC an annual custody fee.

## **FINANCIAL PLANNING**

CCFSI provided financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service received a written report which provides the client with a detailed financial plan designed to assist the client to achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We reviewed family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyzed the client's income tax and spending and planning for past, current and future years; then illustrated the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyzed investment alternatives and their effect on the client's portfolio.

- **INSURANCE:** We reviewed existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyzed current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We reviewed the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assisted the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gathered required information through in-depth personal interviews. Information gathered included the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully reviewed documents supplied by the client, including a questionnaire completed by the client, and prepared a written report. Should the client choose to implement the recommendations contained in the plan, we suggested the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations was entirely at the client's discretion.

We also provided general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically the financial plan was presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan had been promptly provided.

Financial Planning recommendations were not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations were of a generic nature.

CCFSI was also able to provide financial planning services to Tower Wealth Managers' clients pursuant to a sub-advisory agreement between TWM and CCFSI.

## **CONSULTING SERVICES**

Clients could also receive investment advice on a more focused basis. This might include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provided specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations were not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations were of a generic nature.

## Item 5 Fees and Compensation

### INDIVIDUAL PORTFOLIO MANAGEMENT FEES

#### PORTFOLIO MANAGEMENT SERVICES FEES

Our annual fees for the **Advisory Services Management Program** were based upon a percentage of assets under management and generally range from 1.00% to 1.70%.

The annualized fee for these services was charged as a percentage of assets under management, according to the following schedule:

<u><i>Account Assets Under Management</i></u>	<u><i>Annual Fee</i></u>
\$0 to \$500,000	1.70%
\$500,001 to \$1,000,000	1.60%
\$1,000,001 to \$3,000,000	1.45%
\$3,000,001 and over	negotiated

These fees were billed monthly, in arrears, on or about the 20th day of each month based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous month. Fees were debited from the account in accordance with the client authorization in the Advisory Services Management Agreement.

A minimum of \$200,000 of assets under management was required for this service. This account size could be negotiable under certain circumstances. Country Club Financial Services, Inc. could group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

**Limited Negotiability of Advisory Fees:** Although Country Club Financial Services, Inc. had



established the aforementioned fee schedule(s), we retained the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs were considered in determining the fee schedule. These included the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule was identified in the contract between the adviser and each client.

We could group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

## **FINANCIAL PLANNING FEES**

CCFSI's Financial Planning fee was determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees were agreed upon prior to entering into a contract with any client.

The Financial Planning fees that were calculated and charged on an hourly basis, and generally range from \$90 to \$250 per hour. Although the length of time it took to provide a Financial Plan depended on each client's personal situation, we provided an estimate for the total hours at the start of the advisory relationship.

Our Financial Planning fees that were calculated and charged on a fixed fee basis, typically ranged from \$250 to \$2,000, depending on the specific arrangement reached with the client.

We could request a retainer upon completion of our initial fact-finding session with the client; however, advance payment never exceed \$500 for work that was not to be completed within six months. The balance was due upon completion of the plan. The client was billed in arrears based on actual hours accrued.

Country Club Financial Services could also perform financial planning for Tower Wealth Managers' clients subject to an investment subadvisory agreement, whereby Tower appoints CCFSI as a subadviser to provide financial planning services. CCFSI will receive compensation from Tower in the form of a subadvisory fee as determined by the parties with reference to each client.

## **CONSULTING SERVICES FEES**

CCFSI's Consulting Services fee was determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees were agreed upon prior to entering into a contract with any client.

## **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement could be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees were to be promptly refunded. In calculating a client's reimbursement of fees, we would pro rate the reimbursement according to the number of

days remaining in the billing period.

**Mutual Fund Fees:** All fees paid to Country Club Financial Services, Inc. for investment advisory services were separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses were described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which were designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client was encouraged to review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Additional Fees and Expenses:** In addition to our advisory fees, clients in non-wrap accounts were also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances did we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

Country Club Financial Services, Inc. does not charge performance-based fees.

## **Item 7 Types of Clients**

Country Club Financial Services, Inc. provided advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Charitable organizations

- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service agreement.

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

### **METHODS OF ANALYSIS**

We might use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we reviewed charts of market and security activity in an attempt to identify when the market was moving up or down and to predict how long the trend might last and when that trend might reverse.

**Fundamental Analysis.** We attempted to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company was underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyzed past market movements and applied that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis.** In this type of technical analysis, we measured the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Quantitative Analysis.** We used mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Qualitative Analysis.** We subjectively evaluated non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk of using qualitative analysis is that our subjective judgment may prove incorrect.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempted to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We looked at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager had demonstrated an ability to invest over a period of time and in different economic conditions. We also looked at the underlying assets in a mutual fund or ETF in an attempt to determine if there was significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitored the funds or ETFs in an attempt to determine if they were continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Third-Party Money Manager Analysis.** We examined the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager had demonstrated an ability to invest over a period of time and in different economic conditions. We monitored 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 surveyed 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.

**Risks for all forms of analysis.** Our securities analysis methods relied on the assumption

that the companies whose securities we purchased and sold, the rating agencies that reviewed those securities, and other publicly-available sources of information about those securities, were providing accurate and unbiased data. While we were alert to indications that data may be incorrect, there was always a risk that our analysis might be compromised by inaccurate or misleading information.

### **INVESTMENT STRATEGIES**

We used the following strategy(ies) in managing client accounts, provided that such strategy(ies) were appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchased securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believed the securities to be currently undervalued, and/or
- we wanted exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions were incorrect, a security may decline sharply in value before we made the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchased securities with the idea of selling them within a relatively short time (typically a year or less). We did this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

**Trading.** We purchased securities with the idea of selling them very quickly (typically within 30 days or less). We did this in an attempt to take advantage of our predictions of brief price swings.

**Risk of Loss.** We informed our clients that securities investments are not guaranteed and they may lose money on their investments. We asked that they work with us to help us understand their tolerance for risk.

### **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

### ***FIRM Registrations and Affiliations:***

In addition to Country Club Financial Services, Inc. being a Securities and Exchange Commission (SEC) registered investment adviser, our firm is registered as a broker-dealer with the SEC and the Financial Industry Regulatory Authority (FINRA) and is also a licensed insurance agency. A list of affiliated broker-dealers is specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1, which can be accessed by following the directions provided on the Cover Page of this Firm Brochure.

Country Club Financial Services (CCFSI) is a wholly owned subsidiary of Country Club Bank (CCB) and has various arrangements with the bank, groups within the bank and affiliates of the bank. CCFSI as a subsidiary of CCB, and is under common ownership and control with the following:

#### Country Club Trust Company, N.A.

Country Club Trust Company (CCTC) is wholly owned by Country Club Bank. CCFSI clients select Country Club Trust Company as the account custodian for investment advisory management accounts managed by Tower Wealth Managers in the clients' Advisory Services Management Program Agreement and agree to pay CCTC an annual custody fee.

#### Tower Wealth Managers, Inc.

Tower Wealth Managers (TWM) is a wholly owned subsidiary of Country Club Trust Company, which is wholly owned by CCB. TWM is registered with the Securities and Exchange Commission (SEC) as an investment advisor. TWM can provide investment advisory services to clients of CCFSI as part of a master subadvisory agreement between TWM and CCFSI in limited situations. TWM and CCFSI will not, however, use their relationship with each other to benefit themselves at the expense of a client.

#### Country Club Bank - Capital Markets Group

Capital Markets Group (CMG) is a division within CCB that specializes in the management of fixed income securities as a municipal bond dealer and government agency bond dealer. CCFSI will purchase bonds for its clients, when appropriate, from CMG. CCFSI will make all required disclosures. Clients are not obligated to have transactions executed through an affiliated entity. CMG may provide discretionary management of client bond portfolios pursuant to a subadvisory agreement with TWM in limited situations, for clients receiving TWM investment advisory services. Clients receiving TWM investment advisory services are not charged separately for any of CMG's discretionary bond portfolio management services as CMG is paid directly by TWM from their portion of the fee.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

CCFSI maintains its operations, books and records separate from CCB, CCTC and TWM. However, CCFSI, CCB and TWM may share common officers, directors, employees and

office space. CCB provides certain administrative services and office space to CCFSI in exchange for monthly fees intended to estimate the fair market value of the services and space.

Generally arrangements with affiliated parties can create potential conflicts of interest. However, arrangements we have with affiliated parties are fully disclosed to clients, consent is requested in advance where applicable and such arrangement do not result in additional fees to the client.

Country Club Financial Services, Inc. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address any conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws, dealing fairly with customers and protecting confidential information.

Country Club Financial Services, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

CCFSI endeavors to always put the client's interest first, to disclose actual and potential conflicts of interest and manage or avoid conflicts of interest in accordance with applicable legal standards.

CCFSI's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Individual employees not adhering to the Code of Ethics, as well as all other policies and directives issued by CCFSI will be subject to sanctions and possible termination.

CCFSI will provide a copy of our Code of Ethics to our advisory clients and prospective clients upon requests made to the Chief Compliance Officer.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer, are another registered investment adviser, and/or are licensed as an insurance agent. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

Country Club Financial Services, Inc. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Country Club Financial Services, Inc. does not have discretionary authority over any accounts.

As a matter of policy and practice, Country Club Financial Services, Inc. does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

## **Item 13 Review of Accounts**



## **PORTFOLIO MANAGEMENT SERVICES**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are generally reviewed quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

**REPORTS:** In addition to the monthly or quarterly statements clients receive from the custodian, Tower Wealth Managers, Inc. (TWM or Country Club Financial Services, Inc. will provide periodic reports regarding market updates and forecasts from third party sources as well as from TWM portfolio managers.

## **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews were conducted for Financial Planning clients unless otherwise included in the contract.

**REPORTS:** Financial Planning clients received a completed financial plan. Additional reports were not typically provided unless otherwise noted in the contract.

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

### **CLIENT REFERRALS**

In the normal course of business CCFSI and its parent company, Country Club Bank (CCB, refer clients to each other. When an individual employed by CCB refers a client to CCFSI and that client attends an appointment with a representative of CCFSI, the employee receives \$25 from CCFSI.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debited advisory fees from client accounts.

As part of this billing process, the client's custodian was advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian was required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian did not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual custody of client accounts.

## **Item 16 Investment Discretion**

As previously disclosed in Item 4 of this brochure, our firm does not provide discretionary asset management services.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 18 Financial Information**

Under no circumstances did we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Country Club Financial Services, Inc. has no additional financial circumstances to report.

Country Club Financial Services, Inc. has not been the subject of a bankruptcy petition.