



**Brochure**

**Form ADV Part 2A**

**Item 1 - Cover Page**

**Cascades Capital Asset Management, LLC**

CRD# 167102

1834 Pembroke Road  
Suite 4  
Greensboro, North Carolina 27408

(336) 404-4746

[www.cascadescapital.com](http://www.cascadescapital.com)

**March 27, 2020**

This Brochure provides information about the qualifications and business practices of Cascades Capital Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (336) 404-4746 or [bcarpenter@cascadescapital.com](mailto:bcarpenter@cascadescapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Cascades Capital Asset Management, LLC is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Cascades Capital Asset Management, LLC is also available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

**Item 2 - Material Changes**

This Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. Various state regulations require us to either deliver or offer to deliver the Brochure at least annually, and we will comply with these regulations. The Brochure requirements include the annual provision of a Summary of Material Changes (the "Summary") reflecting any material changes to our policies, practices, or conflicts of interest made since our last required "annual update" filing. In addition, such Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on March 25, 2019. Of course the complete Brochure is available to you at any time upon request.

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## ***Item 4 - Advisory Business***

### General Information

Cascades Capital Asset Management, LLC ("Cascades Capital") was formed in 2013, and provides portfolio management services to our clients.

Barry Carpenter is the sole principal owner of Cascades Capital. Please see ***Brochure Supplements***, Exhibit A, for more information on Mr. Carpenter and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

As of December 31, 2019, Cascades Capital managed \$133,363,593 on a discretionary basis, and \$13,961,907 of assets on a non-discretionary basis.

### **SERVICES PROVIDED**

At the outset of each client relationship, we spend time with you, asking questions, discussing your investment experience and financial circumstances, and reviewing options for you. Based on our review, we generally develop:

- a financial outline for you based on your financial circumstances and goals, and your risk tolerance level (the "Financial Profile"); and
- your investment objectives and guidelines (the "Investment Plan").

The Financial Profile is a reflection of your current financial picture and a look to your future goals. The Investment Plan outlines the types of investments we will make or recommend on your behalf to meet those goals. The Profile and the Plan are discussed regularly with you, but are not necessarily written documents.

### Financial Planning

We offer limited financial planning services to those clients in need of such service in conjunction with Portfolio Management services. Our limited financial planning services normally address areas such as general cash flow planning, retirement planning, and insurance analysis. The goal of this service is to assess your financial circumstances in order to more effectively develop your Investment Plan. Financial Planning is not offered as a stand-alone service or for a separate fee, but is typically provided in conjunction with the management of the portfolio.

### Portfolio Management

As described above, at the beginning of our relationship, we meet with you, gather information, and perform research and analysis as necessary to develop your Investment Plan. The Investment Plan will be updated from time to time when requested by you, or when determined to be necessary or advisable by us based on updates to your financial or other circumstances.

To implement your Investment Plan, we will manage your investment portfolio on a discretionary or a non-discretionary basis. As a discretionary investment adviser, we will have the authority to supervise and direct your portfolio without prior consultation with you. Under a non-discretionary arrangement, you must be contacted prior to the execution of any trade in your account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of your portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality,

timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, you retain the responsibility for the final decision on all actions taken with respect to your portfolio.

Notwithstanding the foregoing, you may impose certain written restrictions on us in the management of your investment portfolio, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. You should note, however, that restrictions imposed by you may adversely affect the composition and performance of your investment portfolio. You should also note that your investment portfolio is treated individually by giving consideration to each purchase or sale for your account. For these and other reasons, performance of your investment portfolio within the same investment objectives, goals and/or risk tolerance may differ and you should not expect that the composition or performance of your investment portfolio would necessarily be consistent with similar clients of ours.

#### Separate Account Managers

When appropriate and in accordance with the Investment Plan for a client, we may recommend the use of one or more Separate Account Managers, each a “Manager”. Having access to various Managers offers a wide variety of manager styles, and offers clients the opportunity to utilize more than one Manager if necessary to meet the needs and investment objectives of the client. We will select or recommend the Manager(s) we deem most appropriate for you. Factors that we consider in recommending/selecting Managers generally include the client’s stated investment objective(s), management style, performance, risk level, reputation, financial strength, reporting, pricing, and research.

The Manager(s) will generally be granted discretionary trading authority to provide investment supervisory services for your portfolio. You will ultimately select one or more Managers that we recommend. Fees paid to such Manager(s) are separate from and in addition to the fee assessed by us.

Managers may be available in a Wrap Program, which is an arrangement under which the Program Sponsor charges one fee (the “wrap fee”) for both the Manager’s fee and the transaction expenses incurred by the account. However, our fee is charged separately from and in addition to the Manager’s/wrap fee.

In any case, with respect to assets managed by a Manager, our role will be to monitor your overall financial situation, to monitor the investment approach and performance of the Manager(s), and to assist you in understanding the investments of the portfolio.

#### Retirement Plan Advisory Services

Establishing a sound fiduciary governance process is vital to good decision-making and to ensuring that prudent procedural steps are followed in making investment decisions. We will provide Retirement Plan consulting services to Plans and Plan Fiduciaries as described below. The particular services provided will be detailed in the Investment Management Agreement. The appropriate Plan Fiduciary(ies) designated in the Plan documents (e.g., the Plan sponsor or named fiduciary) will (i) make the decision to retain our firm; (ii) agree to the scope of the services that we will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that we may provide. The Plan Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan. Retirement Plan consulting services may be offered individually or as part of a comprehensive suite of services.

The Employee Retirement Income Security Act of 1974 (“ERISA”) sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, Cascades Capital will be considered a fiduciary under ERISA. For example, we will act as an ERISA § 3(21) fiduciary when providing non-discretionary investment advice to the Plan Fiduciaries by recommending a suite of investments as choices among which Plan Participants may select. Also, to the extent that the Plan Fiduciaries retain us to act as an investment manager within the meaning of ERISA § 3(38), we will provide discretionary investment management services to the Plan. With respect to any account for which we meet the definition of a fiduciary under Department of Labor rules, we acknowledge that both Cascade Capital and our Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between Cascade Capital and Client.

#### Fiduciary Consulting Services

- *Investment Selection Services*  
We will provide Plan Fiduciaries with recommendations of investment options consistent with ERISA section 404(c). Plan Fiduciaries retain responsibility for the final determination of investment options and for compliance with ERISA section 404(c).
- *Non-Discretionary Investment Advice*  
We provide Plan Fiduciaries and Plan Participants general, non-discretionary investment advice regarding asset classes and investments.
- *Investment Monitoring*  
We will assist in monitoring the plan’s investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and we will make recommendations to maintain or remove and replace investment options. The details of this aspect of service will be enumerated in the engagement agreement between the parties.

#### ***Item 5 - Fees and Compensation***

##### General Fee Information

Fees paid to us are exclusive of all custodial and transaction costs paid to your custodian, brokers or other third party consultants. Please see ***Item 12 – Brokerage Practices*** for additional information. Fees paid to us are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (including a management fee and fund expenses, as described in each fund’s prospectus or offering materials). You should review all fees charged by funds, brokers, Cascades Capital and others to fully understand the total amount of fees paid by you for investment and financial-related services.

##### Portfolio Management Fees

Portfolio management fees are individually negotiated and range up to 1.00% annually, based on a percentage of assets under management. Fees will be set forth in our investment management agreement with you and are determined based on the size and complexity of your investment portfolio. We do not generally impose a minimum portfolio value for conventional investment advisory services or a minimum fee.

Portfolio management fees are payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated accordingly. With your authorization and unless other arrangements are made, fees are debited directly from your account(s).

Either you or Cascades Capital can terminate your Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to you based on the number of days that the account was managed, and any fees due to us from you will be invoiced or deducted from your account prior to termination.

#### Separate Account Manager Fees

As described in Item 4 above, we may refer clients to one or more Third Party Managers but we do not share in the fee charged by the Manager(s). We assess our fee separately and in addition to the fees charged by the Manager(s).

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

We do not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because we have no performance-based fee accounts, we have no side-by-side management.

#### ***Item 7 - Types of Clients***

We serve individuals, trusts, estates, corporations and retirement plans. We do not generally impose a minimum portfolio value for conventional investment advisory services or a minimum fee.

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

##### Methods of Analysis and Investment Strategies

We seek to preserve and enhance the real purchasing power of clients' wealth over time through investments in equities, ETFs, mutual funds, bonds and other asset classes. Our investment recommendations and decisions are based on analysis of the broad economic outlook and financial market conditions as well as fundamental research on industries and companies. Fundamental research involves review of the business and financial information about an issuer or industry. Without limitation, the following factors generally will be considered:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

We believe that investing in equity securities provides clients with an excellent avenue for increasing their wealth while protecting it from the deleterious effects of inflation over time. Opportunities are evaluated from the perspective of a potential business owner, and as a result, we are long-term investors with a horizon that often extends well beyond one year. We specifically look for industry-leading companies that are positioned to grow in size and profitability through some sustainable competitive advantage. Financially strong firms led by competent and experienced management teams are preferred.

Valuation is also very important; however, different valuation criteria apply to different types of businesses. Investment opportunities among smaller, higher growth enterprises are considered as well as larger, more mature businesses.

Equity markets frequently move to extremes driven by excessive investor enthusiasm or fear, and the risk of loss is ever-present. However, we believe this volatility creates investment opportunities. To help manage this risk, we believe diversification is necessary, and undue concentration in any one industry or company is avoided. We also believe participation in international markets through investments in foreign and/or global multi-national companies offers diversification benefits as well as higher growth potential.

For many of our clients, fixed income securities (i.e., bonds) play an important role in their investment portfolios. Bonds can provide a higher level of income than equities and offer a counterbalance to the inherent volatility of the equity markets. Although these securities are relatively stable, there is the potential for investor loss from issuer default or changes in interest rates, and liquidity may be limited. To mitigate these risks, we favor higher-quality, obligations generally maturing within ten years and typically hold them to maturity. We consider opportunities across a broad range of publicly-traded debt (e.g., U.S. Treasury securities, municipal bonds, corporate bonds, etc.) to best fit the needs of the client. For example, we consider investing in tax-exempt municipal bonds to the extent that a client's tax situation and/or comparative market yields warrant.

#### Risk of Loss

While we seek to diversify your investment portfolio across various asset classes consistent with your Investment Plan in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that your investment portfolio will be able to fully meet your investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that your investment portfolio faces and you must be prepared to bear.

*Management Risks.* While we manage your investment portfolio, or recommend one or more Managers, based on our experience, research and proprietary methods, the value of your investment portfolio will change daily based on the performance of the underlying securities in which they are invested. Accordingly, your investment portfolio is subject to the risk that we or a Manager allocate your assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that our specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, we or a Manager may invest your portfolio in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Equity Market Risks.* We or a Manager will generally invest portions of your assets directly into

equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* We or a Manager may invest portions of your assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* We or a Manager may invest portions of your assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of your investment portfolio, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

#### ***Item 9 - Disciplinary Information***

Upon employment with Old North State Trust, LLC ("ONST"), a federally registered investment adviser, the North Carolina Securities Division was not notified that Barry Carpenter had joined the firm nor was he registered as an investment adviser representative as required by North Carolina General Statutes Section 78C-16(A1) and 78C-16(B). Under a consent order entered into on September 22, 2004, ONST and Mr. Carpenter were ordered to pay the collective sum of \$5,000 and Mr. Carpenter was registered promptly.

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

Neither Cascades Capital nor its Management Person has any other financial industry activities or affiliations to report.

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

##### **Code of Ethics and Personal Trading**

We have adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. Our Code has several goals. First, the Code is designed to assist us in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940 and applicable state laws, we owe fiduciary duties to our clients. Pursuant to these fiduciary duties, the Code requires persons associated with us (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.



Next, the Code sets forth guidelines for professional standards for our associated persons. Under the Code's Professional Standards, we expect our associated persons to put the interests of our clients first, ahead of personal interests. In this regard, our associated persons are not to take inappropriate advantage of their positions in relation to our clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time our associated persons may invest in the same securities recommended to you. Under our Code, we have adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading. These policies are designed to discourage and prohibit personal trading that would disadvantage clients.

#### Participation or Interest in Client Transactions

As outlined above, we have adopted procedures to protect your interests when our associated persons invest in the same securities as those selected for or recommended to you. In the event of any identified potential trading conflicts of interest, our goal is to place your interests first.

Consistent with the foregoing, we maintain policies regarding participation in initial public offerings (IPOs) and private placements to comply with applicable laws and avoid conflicts with client transactions.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with our written policy.

### ***Item 12 - Brokerage Practices***

#### Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, we seek "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, we may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of our clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

We recommend that you establish a brokerage account with Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of your assets. We may also effect trades for your account at Schwab, or may in some instances, consistent with our duty of best execution and specific agreement with you, elect to execute trades elsewhere. Although we may recommend that you establish an account at Schwab, it is ultimately your decision to custody assets with Schwab. We are independently owned and operated and are not affiliated with Schwab.

Schwab Advisor Services provides us with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help us manage or administer our

clients' accounts while others help us manage and grow our business. These services are not soft dollar arrangements, but are part of the institutional platform offered by Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account. Schwab Advisor Services also makes available to us other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or a substantial number of our accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide, pricing and other market data; (iv) facilitate payment of our fees from our clients' accounts; and (v) assist with back office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help us manage and further develop our business enterprise. These services may include: (i) technology, compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to us. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to us. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### Directed Brokerage

We do not generally allow clients to direct brokerage.

#### Aggregated Trade Policy

We may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This method permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. It allows us to execute trades in a timely, equitable manner, and may reduce overall costs to clients.

We will only aggregate transactions when we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients, and is consistent with the terms of our Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all of our transactions in a given

security on a given business day. Transaction costs for participating accounts will be assessed at the custodian's commission rate applicable to each account; therefore, transaction costs may vary among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

We will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of Cascades Capital. Our books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and we will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

### ***Item 13 - Review of Accounts***

Barry Carpenter, Principal, along with Harry Wellons and Jack Richardson, Investment Adviser Representatives of Cascades Capital, reviews the securities held in your portfolio on an ongoing basis. In addition, your portfolio is reviewed at least annually for adherence to the Investment Plan established for your portfolio. Additional interim reviews may be triggered by changes to your financial circumstances, market or economic conditions, or security-specific issues, among other reasons. These reviews include an assessment of your portfolio's asset allocation, diversification, and income generation relevant to your needs. Individual securities held in your portfolio are also evaluated based their long-term prospects relative to other potential investments as well their continued suitability for you. Mr. Carpenter, Mr. Wellons and Mr. Richardson all participate in these reviews.

We provide statements of account holdings and market values to you on a quarterly basis. In addition to quarterly appraisals, we routinely send correspondence to you describing specific recommendations for, or changes to, your portfolio on an ad hoc basis. From time to time, you are also provided a written commentary discussing market conditions or economic developments.

For one-on-one meetings, we provide detailed portfolio reports including performance data, account holdings, market values, and a review of recent transactions. Client meetings are typically held on an at least an annual basis but we will accommodate any reasonable schedule requested by you.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms.

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

As noted above, we receive an economic benefit from Schwab in the form of support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described in ***Item 12 - Brokerage Practices***. The availability of Schwab's products and services to us is based solely on our participation in the program, and not on the provision of any particular investment advice. Neither Schwab nor any other party is paid to refer clients to us.

#### ***Item 15 - Custody***

Cascades Capital is deemed to have constructive custody of clients' assets because we can withdraw fees from clients' accounts. We do not have physical custody of clients' funds and/or securities. Clients' funds and/or securities will be held with a bank, broker/dealer, or other independent, qualified custodian.

Schwab is the custodian of nearly all client accounts at Cascades Capital. It is the custodian's responsibility to provide you with confirmations of trading activity, tax forms and at least quarterly account statements. You are advised to review this information carefully, and to notify us of any questions or concerns. You are also asked to promptly notify us if the custodian fails to provide statements on each account held.

From time to time and in accordance with our agreement with you, we will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

#### ***Item 16 - Investment Discretion***

As described in ***Item 4 - Advisory Business***, we will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the you, giving us the authority to carry out various activities in your account, generally including the following: securities to be bought or sold for your account; amount of securities to be bought or sold for your account; broker or dealer to be used for a purchase or sale of securities for your account; commission rates to be paid to broker or dealer for your securities transactions; the ability to request checks on your behalf; and, the withdrawal of advisory fees directly from your account. We then direct investment of your portfolio using our discretionary authority. You may limit the terms of the LPOA to the extent consistent with your investment advisory agreement with us and the requirements of your custodian.

For *non-discretionary accounts*, the client also generally executes an LPOA, which allows us to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between Cascades Capital and the client, we do not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to our agreement with the client and the requirements of the client's custodian.

### ***Item 17 - Voting Client Securities***

Where we have the authority to vote proxies, we will seek to vote proxies in the best interest of the client(s) holding the applicable securities. In voting proxies, we consider factors that we believe relate to the client's investment(s) and factors, if any, that are set forth in written instructions from the client.

In general, we believe that voting proxies in accordance with the following guidelines, with respect to such routine items, is in the best interests of our clients. Accordingly, we generally vote **for**:

- The election of directors (where no corporate governance issues are implicated);
- Proposals that strengthen the shared interests of shareholders and management;
- The selection of independent auditors based on management or director recommendation, unless a conflict of interest is perceived;
- Proposals that we believe may lead to an increase in shareholder value;
- Management recommendations adding or amending indemnification provisions in charter or by-laws; and
- Proposals that maintain or increase the rights of shareholders.

We will generally vote **against** any proposals that we believe will have a negative impact on shareholder value or rights. If we perceive a conflict of interest, our policy is to notify affected clients so that they may choose the course of action they deem most appropriate.

A copy of our complete policy, as well as records of proxies voted, is available to clients upon request. As required under the Advisers Act, such records are maintained for a period of five (5) years.

### ***Item 18 - Financial Information***

We do not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore have no disclosure required for this item.

# **Exhibit A**

**Brochure Supplement**

**Form ADV Part 2B**

**Item 1 - Cover Page**

**Barry Lee Carpenter**

**CRD# 3222077**

**of**

**Cascades Capital Asset Management, LLC**

1834 Pembroke Road  
Suite 4  
Greensboro, North Carolina 27408

(336) 404-4746

[www.CascadesCapital.com](http://www.CascadesCapital.com)

March 27, 2020

This Brochure Supplement provides information about Barry Carpenter, and supplements the Cascades Capital Asset Management, LLC ("Cascades Capital") Brochure. You should have received a copy of that Brochure. Please contact Cascades Capital at (336) 404-4746 if you did not receive our Brochure, or if you have any questions about the contents of this Supplement.

Additional information about Barry is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Barry Lee Carpenter (born 1966) is the Founder and Principal of Cascades Capital. Prior to founding Cascades Capital, Barry was an investment adviser representative with Old North State Trust from January 2002 to March 2013. He also served as a Registered Representative with the regional brokerage firm, Legg Mason Wood Walker from March 1999 to December 2001. Barry attended East Carolina University focusing his studies on History.

***Item 3 - Disciplinary Information***

While employed with Old North State Trust, LLC ("ONST"), the North Carolina Securities Division was not notified that Barry had joined the firm nor was he registered as an investment adviser representative as required by North Carolina General Statutes Section 78C-16(A1) and 78C-16(B). Under a consent order entered into on September 22, 2004, ONST and Barry were ordered to pay the collective sum of \$5,000 and he was promptly registered.

***Item 4 - Other Business Activities***

Barry is not engaged in any other business activities.

***Item 5 - Additional Compensation***

Barry has no other income or compensation to disclose.

***Item 6 - Supervision***

As the sole owner of Cascades Capital, Barry supervises all duties and activities of the firm, and is responsible for all advice provided to clients. His contact information is on the cover page of this disclosure document.

***Item 7 - State Requirements for State-Registered Advisers***

In addition to Item 3 above, state-registered advisers are required to disclose all material facts regarding any event in which a supervised person of the firm was found liable in certain legal proceedings not otherwise disclosed, or was the subject of a bankruptcy petition. Barry has no event to disclose with respect to this item.



**Brochure Supplement**

**Form ADV Part 2B**

**Item 1 - Cover Page**

**Harry A. Wellons, III**

**CRD# 3058653**

**of**

**Cascades Capital Asset Management, LLC**

1834 Pembroke Road  
Suite 4  
Greensboro, North Carolina 27408

(336) 404-4746

[www.CascadesCapital.com](http://www.CascadesCapital.com)

March 27, 2020

This Brochure Supplement provides information about Harry Wellons and supplements the Cascades Capital Asset Management, LLC ("Cascades Capital") Brochure. You should have received a copy of that Brochure. Please contact Cascades Capital at (336) 404-4746 if you did not receive our Brochure, or if you have any questions about the contents of this Supplement.

Additional information about Harry is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Harry Albert Wellons, III (born 1965) is an Investment Adviser Representative of Cascades Capital. Prior to joining Cascades Capital, Harry was Second Vice President and Financial Advisor with Morgan Stanley Smith Barney from 2003 to 2014. Harry also served as a Financial Advisor with Prudential Securities from 1998 to 2003.

Harry graduated from Vanderbilt University with a BS in Mathematics and later earned a BS in Mechanical Engineering from the University of Alabama. He also holds a Master of Science in Biomedical Engineering from the University of Alabama.

***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Harry has no such disciplinary information to report.

***Item 4 - Other Business Activities***

Harry is not engaged in any other business activities.

***Item 5 - Additional Compensation***

Harry has no other income or compensation to disclose.

***Item 6 - Supervision***

Barry Carpenter, Principal of Cascades Capital, is responsible for providing compliance oversight for Harry and for reviewing accounts. Barry Carpenter can be reached at (336) 404-4746.

***Item 7 - State Requirements for State-Registered Advisers***

In addition to Item 3 above, state-registered advisers are required to disclose all material facts regarding any event in which a supervised person of the firm was found liable in certain legal proceedings not otherwise disclosed, or was the subject of a bankruptcy petition. Harry has no event to disclose with respect to this item.

**Brochure Supplement**

**Form ADV Part 2B**

**Item 1 - Cover Page**

**Jack Wilson Richardson, Jr.**

**CRD# 1754260**

**of**

**Cascades Capital Asset Management, LLC**

1834 Pembroke Road  
Suite 4  
Greensboro, North Carolina 27408

(336) 404-4746

[www.CascadesCapital.com](http://www.CascadesCapital.com)

March 27, 2020

This Brochure Supplement provides information about Jack Richardson and supplements the Cascades Capital Asset Management, LLC ("Cascades Capital") Brochure. You should have received a copy of that Brochure. Please contact Cascades Capital at (336) 404-4746 if you did not receive our Brochure, or if you have any questions about the contents of this Supplement.

Additional information about Jack is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Jack Wilson Richardson, Jr. (born 1956) is an Investment Adviser Representative of Cascades Capital. Prior to joining Cascades Capital, Jack was a Financial Advisor with LPL Financial, LLC, from 2012 to 2017.

Jack graduated from East Carolina University with a BA in Urban and Regional Planning.

***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Jack has no such disciplinary information to report.

***Item 4 - Other Business Activities***

Jack owns rental property, however, this does not present a conflict of interest.

***Item 5 - Additional Compensation***

Other than noted above, Jack has no other income or compensation to disclose.

***Item 6 - Supervision***

Barry Carpenter, Principal of Cascades Capital, is responsible for providing compliance oversight for Jack and for reviewing accounts. Barry Carpenter can be reached at (336) 404-4746.

***Item 7 - State Requirements for State-Registered Advisers***

In addition to Item 3 above, state-registered advisers are required to disclose all material facts regarding any event in which a supervised person of the firm was found liable in certain legal proceedings not otherwise disclosed, or was the subject of a bankruptcy petition. Jack has no event to disclose with respect to this item.