

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

### **Campbell Rooks Wealth Management, LLC**

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#### **Item 1 – Cover Page**

This brochure provides information about the qualifications and business practices of Campbell Rooks Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (423) 265-7931 and/or by email at [brad@campbellrooks.com](mailto:brad@campbellrooks.com) or [jim@campbellrooks.com](mailto:jim@campbellrooks.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.

Additional information about Campbell Rooks Wealth Management, LLC 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 125052.

Campbell Rooks Wealth Management, LLC is a Registered Investment Adviser (RIA). However, this registration does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

There are no material changes in this brochure from the last annual updating amendment of Campbell Rooks Wealth Management, LLC on 3/18/2019. Material changes relate to Campbell Rooks Wealth Management, LLC’s policies, practices or conflicts of interests only.

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## **Item 4: Advisory Business**

Campbell Rooks Wealth Management, LLC (Campbell Rooks) was formed in 2003 by the principal of our firm James P. Campbell, III. We are a private wealth management firm offering both fee-only financial planning and investment advisory services.

We create customized investment portfolios based on our client's individual risk tolerance, taxes, income needs, and return objectives. We gather this information based on initial client meetings, and/or individual financial plans. Clients may engage our firm in comprehensive financial planning. Subsequent client communication, meetings, or life events may create the necessity to change objectives, goals and/or financial plan.

Our clients may also impose restrictions on investing in certain securities and selling legacy positions if stated in writing. Legacy positions are securities that a client previously owned prior to engaging Campbell Rooks as discretionary investment adviser.

### **FINANCIAL PLANNING**

We provide 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 receive a written report, which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

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

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax situation and projected spending for current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability. We also consider the cash flow impact of an extended period of Long Term Care needs on the client's estate assets to predict liquidity needs.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, and liability. If specifically requested by the client, we also review home and auto coverage, but these typically fall outside the scope of our standard financial plan review.

- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals based upon projected retirement dates.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, projected death tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, net worth components, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney and accountant. Implementation of financial plan recommendations is entirely at the client's discretion.

## **INVESTMENT ADVISORY**

Our firm provides continuous advice "on a fee only" basis to our clients regarding the investment of client funds based on the individual needs of the client. All fees and remuneration are fully disclosed to our clients. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we create and manage a portfolio based on those parameters. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, capacity to accept risk, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition, background, and special needs.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives such as growth, income and tax considerations. Clients may impose, in writing, reasonable restrictions on investing in specific securities, types of securities, or industry sectors.

Once the client's portfolio has been implemented, we monitor and reallocate based on the client's individual needs.

Our investment recommendations generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter

- Corporate debt securities
- Mutual funds
- Exchange traded funds
- U.S. governmental securities
- Real Estate Investment Trusts (REITs)
- Commodities

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

### **PENSION CONSULTING SERVICES**

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of three distinct services. Clients may choose to use any or all of these services.

#### *Selection of Investment Vehicles:*

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate. The number of investments to be recommended will be determined by the plan sponsor.

#### *Monitoring of Investment Portfolios:*

We monitor the investment portfolios on an on-going basis. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the plan's portfolio components and will make recommendations to the plan sponsor as market factors and the client's needs dictate.

#### *Employee Communications:*

For pension, profit sharing and 401(k) plan clients wherein individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide annual educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the plan sponsor under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or

individualized, tailored asset allocation recommendations.

As of December 2019, our firm manages assets totaling \$131,981,675. Of this total, \$120,495,869 is in discretionary assets and \$11,485,806 is in non-discretionary assets.

## **Item 5: Fees and Compensation**

Campbell Rooks is a fee-only wealth management firm and our investment advisory fees are based on percentage of assets under management.

Our investment management fees are billed in advance and deducted directly from client accounts. Both Campbell Rooks' investment advisory agreement and the custodial/clearing agreement may authorize the custodian of the assets (which is not Campbell Rooks) to debit the client account and directly remit that management fee to Campbell Rooks in compliance with regulatory procedures. Clients may request in writing to Campbell Rooks that all fees be debited from one account. If desired, clients may request to pay for investment advisory services directly by check, and payment is due upon receipt of invoice.

Our fee structure is as follows: 1.) for individual clients with a household balance at or below \$5,000,000, the annual fee is 1.0%; 2.) for individual clients with \$5,000,000.01 or more in aggregate investment account balances, the annual fee for the first \$5,000,000 is 1.0%, and the annual fee for assets above \$5,000,000 is 0.50%. Campbell Rooks maintains a minimum household account balance of \$250,000. For the purpose of determining our investment management fee, we use the ending value of the account(s) on the last business day of the quarter, which will fall on or about March 31st, June 30th, September 30th, and December 31st.

Campbell Rooks financial planning fees are calculated on a project basis. Campbell Rooks and the client will outline the scope of work and will establish an estimated fee prior to client engagement.

Pre-existing clients are subject to Campbell Rooks' minimum account balances and advisory fees in effect at the time the client entered into the advisory relationship. For institutional clients, employer-sponsored retirement plans, immediate family members of employees, and other situations, Campbell Rooks reserves the right to and may negotiate a fee that is appropriate for the types of services rendered. Campbell Rooks may aggregate certain related client accounts for the purpose of meeting the minimum account balance.

In addition, clients may incur additional fees or expenses such as transfer of account fees, trading costs, transaction fees, prime brokerage fees, or other fees that may be associated with the maintenance of the account. Campbell Rooks receives no compensation from these fees, and the fees are set by the custodian or broker-dealer of the assets. Although the commission or transaction fee paid by Campbell Rooks' clients shall comply with Campbell Rooks' duty to obtain best execution, a client may pay a commission or transaction fee that is higher than that

of another qualified custodian or Prime Broker. Campbell Rooks will determine, in good faith, that the commission or transaction fee is reasonable in relation to the value rendered. The brokerage commissions or transaction fees charged by the designated custodian or broker-dealer are exclusive of, and in addition to, Campbell Rooks' investment management fee.

Either Campbell Rooks or the client may terminate the Investment Advisory Agreement by providing written notice of termination to the other party pursuant to the terms of said agreement. If an investment advisory relationship is terminated before the end of a quarterly billing period, Campbell Rooks will issue a check for the prorated refund based on the date of termination and mail it to the client at the address of record.

Campbell Rooks does not accept compensation for the sale of securities or other investment products.

### **Item 6: Performance Based Fees and Side-by-Side Management**

Campbell Rooks does not participate in or charge any performance-based fees which are fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7: Types of Clients**

Campbell Rooks provides financial planning and investment advisory services for individuals, high-net worth individuals, corporations or other businesses, pension and profit sharing plans, trusts, estates, and charitable organizations.

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

Campbell Rooks' analysis methods include charting, fundamental, technical, and economic analysis. The main sources of information may come from financial periodicals, research material prepared by others, corporate rating services, annual reports, prospectuses, company press releases, and filings with the Securities and Exchange Commission. All forms of investment analysis have limitations, and these limitations could result in a potential loss to the client.

The investment strategies used to implement any investment advice given to clients include asset allocation, income generation, long term purchases (securities held at least a year) and short-term purchases (securities sold within a year). Types of investments include stocks, preferred stocks, corporate bonds, municipal bonds, mortgage bonds, and government bonds. Investments also include mutual funds, exchange traded funds (ETFs), closed-end funds, and real estate investment trusts (REITs).

Investing in these securities involves potential risk of loss to the client. Material risks include market, credit, interest rate, liquidity, inflation, and individual security risk. In addition, tax-free

municipal bonds, select preferred stocks, and REITs currently have specific tax advantages that could be a risk in the event of an adverse tax law change.

### **Item 9: Disciplinary Information**

Campbell Rooks has experienced no disciplinary or legal action.

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

Campbell Rooks has no other financial industry activities or affiliations.

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

Campbell Rooks has adopted a Code of Ethics that provides guidelines for professional conduct. In addition, Campbell Rooks has implemented controls which are detailed in the firm's policies and procedures manual to ensure compliance by all personnel. Campbell Rooks' Code of Ethics is readily available to all clients and prospective clients of the firm upon request. The Code of Ethics covers all of Campbell Rooks' employees, and is based upon the fundamental principles of openness, integrity, honesty, and trust. Advisor's responsibilities include putting client's interest ahead of his/her own and prohibit receiving gifts that might compromise the loyalty or objectivity to the client.

Investment Advisors of Campbell Rooks can buy and/or sell securities for their own personal account that are also found in discretionary client accounts. Campbell Rooks puts the client's interests ahead of personal interests and gives priority to client transactions ahead of personal transactions. Once an investment decision is made (buy/sell decision), all client transactions are effected before any personal employee account transactions. In the event of a block trade, client and employee transactions are effected at once as one trade. Internal controls include the following: 1. Duplicate copies of all personal investment accounts and transaction notifications are sent to Campbell Rooks in addition to being sent to the employee; 2. Quarterly review of all personal employee holdings and transactions by Campbell Rooks' compliance officer or agent for the compliance officer; 3. Signed statement of compliance by employees to Campbell Rooks' Code of Ethics and all policies of Campbell Rooks, as well as all applicable state and federal securities laws.

### **Item 12: Brokerage Practices**

Factors that Campbell Rooks considers in recommending a custodian or selecting a Prime Brokerage relationship include historical relationship, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commission or transaction fee paid by the Campbell Rooks' clients shall comply with Campbell Rooks' duty to obtain best execution, a client may pay a commission or transaction fee that is higher than that of another qualified



custodian or Prime Broker. Campbell Rooks will determine, in good faith, that the commission or transaction fee is reasonable in relation to the value rendered. In seeking best execution, the full range of a broker-dealer's services, including research provided, trading, commission rates, and costs are considered. The brokerage commissions or transaction fees charged by the designated custodian or broker-dealer are exclusive of, and in addition to, Campbell Rooks' investment management fee.

Campbell Rooks makes investment decisions based on a reasonable basis as determined by the Chief Investment Officer of Campbell Rooks and according to the individual client's investment objective and risk tolerance. In addition, further controls and rules are in place to prevent trading in securities that clients have specific trading restrictions due to applicable state and federal laws with respect to a control person, etc.

Campbell Rooks will arrange for the execution of securities brokerage transactions for the account through broker dealers that Campbell Rooks reasonably believes will provide "best execution." In seeking best execution, the full range of a broker dealer's services, including research provided, trading, commission rates, and cost are considered. While Campbell Rooks is an independent, fee-only Registered Investment Adviser (RIA) and does not have any implicit or explicit affiliation with any custodian, broker-dealer, or investment company, Campbell Rooks does maintain multiple custodian, prime brokerage, and investment company relationships. Campbell Rooks may receive benefits from these relationships in the form of education, marketing, conferences, and both proprietary and third-party research either complimentary or at a reduced rate. Although we strive to determine financial transactions for our clients based on best execution, we may indirectly receive these benefits which could create a conflict of interest.

When appropriate, Campbell Rooks may direct prime brokerage trades primarily for fixed income, preferred stocks, and new issue transactions. Prime brokerage accounts have balances of \$100,000 or greater, and the client has authorized trades outside the custodian. The benefits received, and the costs associated with these trades for prime brokerage and non-prime brokerage trades are proportional for each client account.

When appropriate, Campbell Rooks may cross a bond between two unrelated clients. A cross occurs when a broker executes both a buy and a sell of an identical security from one client account to another client account where both accounts are managed by the same investment manager. When executing a bond cross, Campbell Rooks will attempt to receive bids from multiple brokerage firms.

Transactions for each client account generally will be executed independently unless Campbell Rooks decides to purchase or sell the same securities for several clients at approximately the same time. Campbell Rooks may (but is not obligated to) combine or "batch" such orders to obtain "best execution," to negotiate more favorable commission rates, or to allocate equitably among Campbell Rooks clients. Had such orders been placed independently, differences in prices and commissions or other transaction costs would likely be higher. Under this procedure,

transactions will be averaged as to price and will be allocated among Campbell Rooks' clients in proportion to the purchase and sell order placed for each client account on any given day. Campbell Rooks shall not receive any additional compensation as a result of aggregating trades.

The client may direct Campbell Rooks to use a particular custodian or prime brokerage relationship subject to Campbell Rooks' approval. In such event, the client will negotiate terms and arrangements for the account with that broker dealer, and Campbell Rooks will not be responsible for better execution, services, or prices from other broker dealers or be able to "batch" the client's transactions for execution through other broker dealers with orders for other accounts managed by Campbell Rooks. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that the client directs Campbell Rooks to affect securities transactions for the client's accounts through a specific broker dealer, the client correspondingly acknowledges that such discretion may cause the account to incur higher commissions or transaction costs than the accounts would otherwise incur had the client account determined to effect account transactions through alternative clearing arrangements that may be available through Campbell Rooks.

### **Item 13: Review of Accounts**

Client accounts are reviewed at least monthly as part of Campbell Rooks' investment management process and may be reviewed more frequently as dictated by changes in financial markets. We strive to conduct periodic meetings to ensure investment portfolios remain appropriate for the client's current financial objectives. If applicable, client financial plans are reviewed as needed unless circumstances dictate more frequent review. Factors that may trigger a review include marriage, divorce, death, incapacity, birth of a child or grandchild, inheritance, or career change. The Chief Investment Officer and Chief Compliance Officer of Campbell Rooks will review accounts.

Clients receive monthly statements from their third-party custodian showing positions, transactions, and fees. In addition, clients may receive periodic reports from Campbell Rooks detailing period performance, as well as supplemental reports detailing asset allocation, portfolio income generation, and other reports that Campbell Rooks deems helpful to the client. Tax documents from respective client accounts will be prepared by the third-party custodian and sent to the client by the third-party custodian and/or Campbell Rooks as needed. Additional tax reports, such as K-1 statements, may be sent to the client from the actual companies themselves. Clients may contact Campbell Rooks at any time to request a statement of their account or performance data.

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

Campbell Rooks may, via written arrangement, retain third parties to act as solicitors for Campbell Rooks's investment management services. All compensation with respect to the

foregoing will be fully disclosed to each client to the extent required by applicable law. Campbell Rooks will ensure each solicitor is properly registered in all appropriate jurisdictions.

### **Item 15: Custody**

When Campbell Rooks directs the custodian of a client's assets to deduct its fee directly from the client's account, Campbell Rooks will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. In addition, Campbell Rooks has custody because it has authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, Campbell Rooks will follow the safeguards specified by the SEC rather than undergo an annual audit. Clients will receive monthly statements from the custodian. A client may request a copy of their statement at any time from the custodian and/or Campbell Rooks. Clients may request online access from Campbell Rooks or the custodian. Online access includes client account statements, balances, transactions, positions, and tax information.

### **Item 16: Investment Discretion**

Campbell Rooks does exercise discretion in determining specific securities to be purchased/sold, the amount of securities to be purchased/sold, the commission rates paid, and the prime brokerage firm used. In addition, Campbell Rooks does not exercise discretion in determining client custodian, however, recommends custodial relationships. Campbell Rooks uses its discretion in these matters within the limitations specified in the client investment advisory agreement.

Upon client engagement, client may also impose restrictions on investing in certain securities and selling legacy positions if stated in writing. Legacy positions are securities that a client previously owned prior to engaging Campbell Rooks as discretionary investment adviser.

### **Item 17: Voting Client Securities**

Campbell Rooks acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. Campbell Rooks will vote proxies on behalf of a client solely in the best interest of the relevant client. Campbell Rooks has established general guidelines for voting proxies. Campbell Rooks may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, Campbell Rooks may vote in a manner that is contrary to the general guidelines if it believes that it would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between Campbell Rooks and a client, then Campbell Rooks will disclose the conflict of interest to the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting Campbell Rooks in writing and requesting such information. Each client may also request, by contacting Campbell Rooks in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period. Clients can send written requests to the Chief Compliance Officer at [jim@campbellrooks.com](mailto:jim@campbellrooks.com)

## **Item 18: Financial Information**

Campbell Rooks has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients and has never been the subject of a bankruptcy proceeding.