

## **CUSTOM INVESTMENT MANAGEMENT II (CIM II) PROGRAM FORM BROCHURE**

### **ITEM 1 COVER PAGE**

Center for Wealth Management, LLC ("CWM")  
4355 Ferguson Dr, Suite 200,  
Cincinnati, Ohio 45245

Centerforwealthmanagement.com

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This wrap fee program brochure provides information about the qualifications and business practices of CWM. If you have any questions about the contents of this brochure, please contact your CWM investment advisor representative or CWM at [Chris@centerforwealthmanagement.com](mailto:Chris@centerforwealthmanagement.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about CWM also is available on the SEC's website.

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

### **ITEM 2 MATERIAL CHANGES**

**All current holdings that are not already in the lowest expense share class has be converted to the lowest possible expense class available on the platform as of 2019.**

**The firm has updated Item 4 to add a new account transaction.**

**On a best effort's basis, CWM's policy is to now purchase the lowest mutual fund cost share class available on the LPL Financial platform, regardless of the ticket charge that would be imposed on the IAR or to the client.**

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

Center for Wealth Management, LLC (the “Firm” or “Advisor”) is a limited liability corporation formed under Ohio law and is registered as an investment advisor with the SEC. The Firm was established in June 2014 by Christopher M. Wright, the Firm’s President and owner, and has been registered as investment advisor since June 2014.

The Advisor uses its Proactive Wealth Management Process, to organize client assets, insurance, liabilities, and estate documents to help simplify, consolidate and integrate the aspects of their financial future. The Advisor helps clients define their long-term investment objectives and build personalized investment portfolios designed to achieve them.

Advisory services include investment management, financial planning, and consulting services. This Wrap Brochure provides information about the Advisor and its advisory services under its wrap program. Other investment advisory services offered by the Advisor are described in detail in the Advisor’s ADV Part 2A Brochure.

Registration does not imply a certain level of skill or training.

#### **Services**

Through its wrap program, the Custom Investment Management II (“CIM II”) program, the Advisor provides ongoing investment advice and management on assets in the client’s account. The Advisor provides advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds (“ETFs”), variable annuity subaccounts, real estate investment trusts (“REITs”), equities, and fixed income securities.

The Advisor provides advice that is tailored to the individual needs of the client based on the client's investment objective. LPL acts as custodian for the client's account and provides brokerage and execution services as the broker-dealer on account transactions, and performs administrative services, such as quarterly performance reporting to clients.

## **Fees and Compensation**

The Client pays the Advisor a single wrap fee ("Advisory Fee") for advisory, brokerage and trade execution services.

The Advisory Fee is based on the value of assets managed by the Advisor, calculated as a percentage of assets under management. This fee is compensation for advisory services and portfolio management fees rendered by the Advisor as well as charges for execution and transaction services provided by LPL. The Advisory Fee is negotiable between the client and the Advisor and is set out in the Investment Advisory Agreement.

There is a minimum investment of \$100,000, although the Advisor may accept smaller accounts at its discretion. The Advisor charges no more than 2.5% annually for its portfolio management services. The amount of the investment advisory fee will be set out in the Investment Advisory Agreement executed by the client at the time the relationship is established.

The Advisory Fee is negotiated on a client-by-client basis depending on the size, complexity and nature of the portfolio managed and will be set forth in the Investment Advisory Agreement. The Advisory Fee is aggregated for family related accounts, generally defined as parents, children, and grandchildren. Because Advisory Fees are negotiated, not all clients will pay the same fees. A client may pay a higher or lower Advisory Fee depending on considerations such as the size of the client's account, the amount of time the client has maintained an account with the Advisor, and/or the combined market value of related portfolios. While the Advisor believes that its Advisory Fees are competitive, clients may find lower or higher fees for comparable services from other sources.

Although the client does not directly pay charges for execution and transactions, clients should be aware that from the Advisory Fee paid to the Advisor will be less any transactions charges for the executions made on the clients account. The Advisor retains the remaining portion as compensation for its advisory services and portfolio management. These transaction charges paid by the Advisor to LPL vary based on the type of transaction. Because the Advisor pays the execution and transaction charges, clients should understand that the cost of transaction charges may be a factor to the Advisor when making decisions regarding transactions in the client's account.

The Advisor instructs LPL to deduct the Advisory Fee quarterly in advance from the client's brokerage account, unless other arrangements are set forth in the Advisory Agreement. If the Advisory Agreement is terminated before the end of the quarterly period, the Advisor will refund any pre-paid quarterly Advisory Fee on a prorated basis, based on the number of days remaining in the quarter after the termination date. After the termination date, the Advisor has no responsibility to provide ongoing investment advice to the client. The custodian LPL Financial reserves the right to charge an account termination fee to close an account except when your state of residence prohibits an account closing fee.

## **Other Types of Fees and Expenses**

In addition to the Advisory Fee, which includes LPL's execution and transaction costs, LPL may charge additional cost directly to the client. LPL notifies clients of these charges at account opening and makes available a list of these charges on its website at [www.lpl.com](http://www.lpl.com). LPL's charges may include:

- Margin interest on any credit extended to or maintained by the client for an account approved for trading on margin and the client has entered into a margin agreement with LPL. LPL will retain a portion of any interest charged. This interest charge is in addition to the Advisory Fee. The Advisory Fee is not charged on any margin debit balance, rather only on the net equity of the account.
- Clients also pay LPL other miscellaneous administrative or custodial-related fees and charges that relate to an CIM II program account.

### **Fees Charged by Third Parties**

There are other fees and charges that are imposed by parties other than the Advisor (third parties) that apply to investments in CIM II program accounts.

If a client's assets are invested in mutual funds or other pooled investment products, the client should be aware that there will be two layers of advisory fees and expenses for those assets. The client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. In the case of mutual funds that are fund of funds, there could be an additional layer of fees, including performance fees that may vary depending on the performance of the fund. The client will also pay the Advisor the Advisory Fee with respect to those assets. Most of the mutual funds available in the program may be purchased directly. Therefore, clients could generally avoid the second layer of fees by not using the advisory services of LPL and the Advisor and by making their own decisions regarding the investment.

If client transfers a previously purchased mutual fund into an CIM II program account, and there is an applicable contingent deferred sales charge on the fund, the client will pay that charge when the mutual fund is sold. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting).

Although LPL makes available no-load and load-waived mutual funds to CIM II program accounts, LPL receives asset based sales charges or service fees (e.g., 12b-1 fees) from certain mutual funds. LPL retains these fees and they are not shared with the Advisor.

If a client holds a variable annuity as part of an CIM II program account, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor. If a client holds a REIT as part of an account, there are dealer management fees and other organizational, offering and pricing expenses imposed by the REIT. If client holds a UIT in the IM account, UIT sponsors charge creation and development fees or similar fees. Further information regarding fees assessed by a product sponsor is available in the appropriate prospectus or offering document, which is available upon request from the Advisor or from the product sponsor directly.

### **Important Things to Consider About Fees on an CIM II program Account**

The Advisory Fee is an ongoing wrap fee for investment advisory services which include the cost of the execution of transactions and other administrative and custodial services. The Advisory Fee may cost the client

more than purchasing the services separately, for example, paying an advisory fees. Factors that bear upon the cost of the CIM II program account in relation to the cost of the same services purchased separately include the:

- type and size of the account
- historical and or expected size or number of trades for the account, and
- number and range of supplementary advisory and client-related services provided to the client.

The Advisor receives compensation as a result of the client's participation in the program which may be more than what the Client would pay to another investment advisory firm.

The Advisor may make amendments to the fee schedule, including negotiated fees, at any time with at least 30 days written notice to the client.

### **Account Transactions**

Advisor will first choose the asset class and fund selection, then the least expensive share class within the asset class that is in the best interest of Client. Advisor understands that there can be Inherent Conflicts of Interest related to Advisor's choice in fund share class, and Advisor must select the share class that is in the best interest of the client, and also disclose the compensation resulting from certain share class selection within the ADV-Part 2A, and within the relevant wrap fee brochures.

No Transaction Fee Funds (NTFs) are defined generally as mutual funds and Exchange-Traded Funds (ETFs) with no associated trading fees. NTF funds are a contractual agreement between the fund manager and the Custodian. NTF funds are advantageous to Investor/Client because they allow fund purchases without incurring any sales charges on the trade. NTF funds are also known as no- load mutual funds.

In a wrap program account, Advisor has an incentive to favor funds that do not have a transaction fee over other funds because Advisor would otherwise pay the transaction fee to the Custodian executing the transaction in Client account. By Advisor selecting a fund that does not have a transaction fee, Advisor retains a greater portion of the advisory fee and increases its compensation. In addition, fund companies compensate the Broker-Dealer to be included in the Broker-Dealer's NTF program.

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

There is a minimum investment of \$100,000 although the Advisor may accept smaller accounts at its discretion. The CIM II program account is available for individuals, IRAs, pension and profit sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), trusts, estates, charitable organizations, corporations and other business entities.

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

The Advisor provides the client investment advice and management in the LPL CIM II account.

LPL calculates the performance for the CIM II account and delivers to clients individual quarterly performance reports, which provide performance information on a time weighted basis. LPL performance reports are intended to inform clients as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices. The Advisory periodically reviews LPL's performance reports for accuracy.

The Advisor offers other types of advisory programs, including portfolio management, consulting and financial planning advisory services. Other portfolio management advisory services provided by the Advisor are similar to the CIM II account, in that the Advisor provides the investment advice and management to the client, except that the client pays transaction charges directly to the broker-dealer custodian rather than the Advisor paying these transaction charges. Other investment advisory services offered by the Advisor are described in detail in the Advisors ADV Part 2A Brochure.

### **Investment Discretion**

The Advisor provides advisory services on a discretionary basis for the purchase and sale of securities in the CIM II program. The client authorizes the Advisor to have discretion through the Investment Advisory Agreement.

### **Methods of Analysis and Investment Strategies**

The Advisor's investment strategies include both strategic and tactical asset allocation as well as an unconstrained approach. All our strategies begin with a top-down macroeconomic view of the capital markets and capital trends. The Advisor constructs portfolios based on our views of those markets over three to five year time horizon but with emphasis on how short-term events impact risk. Strategic and Tactical allocation models stay largely invested at all times while the unconstrained approach will utilize cash as a defensive tool during periods of high volatility and/or risk. The Advisor could also utilize hedging strategies where appropriate.

Resources include multiple third-party independent research (both paid and non-paid), economic conferences, due diligence meetings, and technical analysis. Factors the Advisor considers include, but are not limited to, market trend analysis, valuation considerations, capital fund flows, current economic conditions, and prevailing foreseeable risks and/or conflicts.

Clients are advised and should understand that:

- Asset allocation does not ensure profit or protect against loss;
- Past performance is not a guarantee of future results;
- Market conditions, interest rates, and other investment related risks may cause losses in their portfolio;
- Risk parameters established for their portfolio are guidelines only – the selected risk parameters may be exceeded and index comparisons may outperform their portfolio;
- Their portfolio's value is subject to a variety of factors, such as liquidity and volatility of the securities markets;

- The investment objective selected for the CIM II program is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time; and
- Achievement of the stated investment objective is a long-term goal for the account.

The Advisor's advisory services include portfolio management, financial planning, and consulting services. The Brochure provides information about the Advisor and its advisory services.

The Advisor provides advisory services for the following types of investments: equity securities, warrants, options, debt securities, REITS, mutual funds, closed end funds, exchange traded funds, unit investment trusts, annuities and life insurance contracts.

### **Performance-Based Fees**

The Advisor does not accept performance-based fees, which are fees based on a share of capital gains or appreciation of the assets of a client.

### **Side-By-Side Management**

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

The Advisor does not participate in side-by-side management.

### **Voting Client Securities**

The Advisor does not vote proxies on behalf of client securities. Clients maintain exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities they beneficially own will be voted, and (ii) making all elections relative to mergers, acquisitions, tender offers, bankruptcy proceedings or other types of events pertaining to the client's investments.

The Advisor does not render advice to or take any actions on behalf of clients with respect to any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments held in client accounts, or the issuers thereof, become subject, and does not initiate or pursue legal proceedings, including without limitation shareholder litigation, on behalf of clients with respect to transactions, securities or other investments held in client accounts. The right to take any actions with respect to legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in a client account is expressly reserved to the client.

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

The Advisor obtains the client's financial information, risk tolerance and investment objectives to determine the investments in the client's IM account. The Advisor will contact the client periodically to review the client's CIM II program and determine whether there have been any changes to the client's situation.

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

No restrictions are placed on a client's ability to contact and consult with the Advisor regarding the CIM II program.

## **Item 9            Additional Information**

### **Disciplinary Information**

Registered investment advisors are required to disclose specific information related to certain legal or regulatory events that may be material to choosing an advisor. The Advisor and its Covered Persons have not been the subject of any material legal or disciplinary proceedings.

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

Certain investment advisor representatives ("IAR") of Center for Wealth Management, LLC are also dually registered IARs and registered representatives with LPL Financial LLC ("LPL"), a registered broker-dealer with FINRA and federally registered investment advisor. A Center for Wealth Management, LLC IAR may receive commissions on securities transactions as a registered representative or advisory fees through their affiliation with LPL. Notwithstanding the IARs' affiliation with LPL, the Advisor is solely responsible for the investment advice rendered. Advisory services are provided separately and independently of the brokerage services the IARs offer through LPL unless otherwise disclosed.

The firm has licensed insurance agents who receive insurance related commissions.

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

Center for Wealth Management, LLC has adopted a Code of Ethics ("Code") pursuant to industry standards. The Code is predicated upon serving the best interest of our clients. All Covered Persons must at all times reflect the professional standards expected of those engaged in the investment advisory business, and shall act within the spirit and the letter of the federal, state and local laws and regulations pertaining to investment advisors and the general conduct of business. These standards require all personnel to be judicious, accurate, objective and reasonable in dealing with both clients and other parties so that their personal integrity is unquestionable.

The Code of Ethics is certified annually with Covered Persons of the Firm. For a copy of the Code of Ethics, a written request should be sent to 4355 Ferguson Dr. Suite 200 Cincinnati, Ohio 45245 attention: Christopher M. Wright

On occasion, the Advisor may buy or sell securities that it recommends to clients or may recommend securities transactions in which the Advisor or its Covered Persons has some financial interest. This practice would create a conflict of interest if the transactions were structured to trade on the market causing an impact on recommendations made to the Advisor's clients. The Chief Compliance Officer reviews Covered Persons' personal transactions quarterly. The Advisor's Code of Ethics requires pre-approval of personal transactions in some cases. The Advisor believes that it has adopted sufficient controls so that personal transactions are consistent with advice given to clients.

### **Review of Accounts**



LPL will deliver account statements at least quarterly that include a summary of clients' accounts' performance. Portfolio performance summaries provide historical information regarding a client's investments and should not be relied upon as predictive of future performance.

The value of securities held in a client's portfolio will be valued by the custodian, broker-dealer, or other investment vendor.

The IAR reviews client account activity no less than annually. The level of review is determined by the complexity of the portfolio at the discretion of the IAR. Other factors that may trigger review are changes in economic or market conditions, and individual client situations.

### **Client Referrals and Other Compensation**

The Advisor does not pay referral fees to or enter into solicitation arrangements with third parties.

The Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Advisor or its related persons in and of itself creates a potential conflict of interest.

### **Research & Other Soft Dollar Benefits**

CWM does not have any soft dollar arrangements or agreements.

### **Custody**

The Advisor does not maintain custody of client assets. LPL will send quarterly account statements to clients. The Advisor urges clients to compare statements received from LPL or any other custodians with any reports the Advisor may provide. If there are any differences, please contact the Advisor immediately for resolution.

Neither the Advisor nor its associated persons will accept delivery of the client's securities or funds in the name of the Advisor or its associated person.

### **Financial Information**

The Advisor has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients nor has it been the subject of a bankruptcy proceeding.