

# CLEVELAND WEALTH, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Cleveland Wealth, LLC. If you have any questions about the contents of this brochure, please contact us at (216) 810-5900 or by email at: [info@clevelandwealth.com](mailto:info@clevelandwealth.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 Cleveland Wealth, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Cleveland Wealth, LLC CRD number is: 282196.*

600 Superior Avenue East, Suite 2550  
Cleveland, OH 44114  
(216) 810-5900  
[www.clevelandwealth.com](http://www.clevelandwealth.com)  
[info@clevelandwealth.com](mailto:info@clevelandwealth.com)

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

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Cleveland Wealth, LLC on 03/11/2019 are described below. Material changes relate to Cleveland Wealth, LLC's policies, practices or conflicts of interests.

- Cleveland Wealth, LLC has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.
- Cleveland Wealth, LLC has updated types of advisory services (Item 4).
- Cleveland Wealth, LLC has updated fees and compensation (Item 5).
- Cleveland Wealth, LLC has added disclosure regarding benefits from TD Ameritrade (Item 12).
- Cleveland Wealth, LLC has updated custody (Item 15).
- Cleveland Wealth, LLC has added pension consulting services (Item 4 & 5).
- Cleveland Wealth, LLC has updated review of accounts (Item 13).

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Cleveland Wealth, LLC (hereinafter "CW") is a Limited Liability Company organized in the State of Ohio.

The firm was formed in October 2015, became licensed as a registered investment adviser in 2016 and the principal owners are Thomas Williams Stockett and Douglas William Sockman.

### **B. Types of Advisory Services**

#### ***Portfolio Management Services***

CW offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. CW creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

CW seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of CW's economic, investment or other financial interests. To meet its fiduciary obligations, CW attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, CW's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is CW's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

#### ***Selection of Other Advisers***

CW may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, CW will always ensure those other advisers are properly licensed or registered as an investment adviser. CW then makes investments with a third-party investment adviser by referring the client to the third-party adviser. CW will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

### ***Pension Consulting Services***

CW offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers
- creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

### ***Financial Planning***

CW offers comprehensive financial planning that may include, but is not limited to: investment planning, retirement planning, tax planning, estate planning, protection planning and college planning (when applicable).

In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser.

### **Services Limited to Specific Types of Investments**

CW generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities and ETFs. CW may use other securities as well to help diversify a portfolio when applicable.

### ***Educational Seminars***

CW provides educational seminars for a fee. Attendees will learn how to:

- Identify the primary threats to their retirement savings
- Plan their retirement income to preserve a comfortable lifestyle
- Afford and enjoy travel, hobbies, sports, crafts, socializing, business ventures and lifelong learning



- Align their investments with your attitudes, risk tolerance and objectives
  - Apply strategies designed to increase Social Security retirement benefits
  - Calculate whether they should convert their IRA to a Roth IRA
- Maximize tax efficiency of withdrawals from mutual funds and IRAs Evaluate and plan for health care, long-term care, incapacity and end of life decisions

### **C. Client Tailored Services and Client Imposed Restrictions**

CW offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent CW from properly servicing the client account, or if the restrictions would require CW to deviate from its standard suite of services, CW reserves the right to end the relationship.

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

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. CW does not participate in any wrap fee programs.

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

CW has the following assets under management and advisement as of December 2019:

Discretionary Amounts:	Non-discretionary Amounts:
\$0.00	\$307,495,632.00

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

### **A. Fee Schedule**

#### ***Asset-Based Fees for Portfolio Management***

Total Assets Under Management	Annual Fee
\$0 - \$499,999	1.50%
\$500,000 - \$999,999	1.35%
\$1,000,000 - \$2,499,999	1.15%

Total Assets Under Management	Annual Fee
\$2,500,000 - \$4,999,999	1.00%
\$5,000,000 - \$9,999,999	.80%
\$10,000,000 – and up	.65%

Lower fees for comparable services may be available from other sources.

**These fees are generally negotiable**, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are based on a straight fee schedule. Clients may terminate the agreement without penalty for a full refund of CW's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract clients generally upon written notice.

Depending upon the type of advisory account established, CW uses the following methods for purposes of determining the market value of the assets upon which the advisory fee is based: 1) an average of the daily balance in the client's account throughout the billing period or 2) the account balance on the last day of the quarter if billed quarterly or the account balance on the last day of the month if billed monthly.

### ***Selection of Other Advisers Fees***

CW will receive a portion of the fee paid to the third party adviser. This relationship will be memorialized in each contract between CW and each third-party adviser. Fees for this service range from 0.5% - 1.65% per year. Specifically, CW may direct clients to Morningstar Investment Services, Inc. and Brinker Capital, Inc. These fees are negotiable. Total fees charged by both parties collectively will not exceed 1.65% of assets under management per year. Clients are responsible for the payment of all third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CW. Please see Item 5C and Item 12 below.

### ***Pension Consulting Services Fees***

The rate for pension consulting services is between .30% - .80% of the plan assets for which CW is providing such consulting services. These fees are negotiable.

### ***Financial Planning Fees***

The negotiated fixed rate for creating client financial plans is between \$1,500 and \$10,000. Clients may terminate the agreement without penalty for a full refund of CW's fees within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice. CW will issue a full refund within 10 days after delivery of the financial plan should clients not be satisfied with the plan delivered.

### ***Educational Seminars Fees***

CW offers an educational seminar called "Rejuvenate Your Retirement," that costs \$39 per person for each course.

## **B. Payment of Fees**

### ***Payment of Asset-Based Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are typically paid in advance; however, fees may be paid arrears depending upon the type of advisory account established.

### ***Payment of Selection of Other Advisers Fees***

The frequency of which fees are paid will be dependent upon the third party adviser chosen. Fees are typically paid monthly or quarterly in advance; however, fees may be paid arrears depending upon the type of advisory account established.

Fees for selection of Morningstar Investment Services, Inc. as third-party adviser are withdrawn directly from the client's accounts with client's written authorization.

Fees for selection of Brinker Capital, Inc. as third-party adviser are withdrawn directly from the client's accounts with client's written authorization.

### ***Payment of Pension Consulting Services Fees***

Pension consulting fees are withdrawn directly from the client's accounts with client's written authorization or may be invoiced and billed directly to the client and clients may select the method in which they are billed. Fees are paid quarterly in advance or arrears.

### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check to CW. Fixed financial planning fees are paid 100% in advance, but never more than six months in advance.

### ***Payment of Educational Seminars Fees***

Educational Seminars Fees are paid via check. Fees are paid in advance.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CW. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees**

Typically, CW collects fees in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

### **E. Outside Compensation For the Sale of Securities to Clients**

Certain supervised persons of the firm have outside business activities (see Item 10 below) and are licensed to accept compensation for the sale of investment products (insurance products) to CW clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of investment products for which the supervised persons receives compensation, CW will document the conflict of interest in the client file and inform the client of the conflict of interest. Clients always have the right to decide whether to purchase CW recommended products and, if purchasing, have the right to purchase those products through other brokers or agents that are not affiliated with CW.

Commissions are not CW's primary source of compensation for advisory services. Advisory fees that are charged to clients are not reduced to offset the commissions on investment products recommended to clients.

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

CW does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

CW generally provides advisory services to the following types of clients:

- ❖ Individuals & Families
- ❖ High-Net-Worth Individuals & Families

There is an account minimum of \$500,000 for portfolio management. The account minimum may be waived by CW in its discretion.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

CW's methods of analysis include modern portfolio theory.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

#### *Investment Strategies*

CW uses long term and short term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

#### *Methods of Analysis*

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

## ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability and inflation, in addition to the long term trading risks listed above. Frequent trading, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Selection of Other Advisers:** CW's selection process cannot ensure that money managers will perform as desired and CW will have no control over the day-to-day operations of any of its selected money managers. CW would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term

securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

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

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither CW nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither CW nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Most of the supervised persons of CW are also licensed insurance agents, and from time to time, will offer clients advice or products, such as Structured Settlement Annuity Products, Fixed Annuities, and Fixed Life Insurance from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. CW always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of CW in connection with such individual's activities outside of CW.

Thomas Williams Stockett is Owner of FKS Consulting, Inc. dba Structured Growth Strategies. From time to time, he may offer clients advice or products, such as Structured Settlement Annuity Products, Fixed Annuities, and Fixed Life Insurance from those activities and clients should be aware that these services may involve a conflict of interest. CW always acts in the best interest of the client and clients are in no way required to the services of any representative of CW in connection with such individual's activities outside of CW.

Thomas Williams Stockett is a Producer/Consultant for Sage Settlement Consulting as of January 2019. From time to time, he may offer clients advice or products, such as Structured Settlement Annuity Products, Fixed Annuities, and Fixed Life Insurance from



those activities and clients should be aware that these services may involve a conflict of interest. Cleveland Wealth, LLC always acts in the best interest of the client and clients are in no way required to the services of any representative of Cleveland Wealth, LLC in connection with such individual's activities outside of Cleveland Wealth, LLC.

Thomas Williams Stockett, Douglas William Sockman and Bernard Thomas Garrah Jr are all Principals of CW Insurance, LLC. From time to time, they may offer clients advice or products, such as Structured Settlement Annuity Products, Fixed Annuities, and Fixed Life Insurance from those activities and clients should be aware that these services may involve a conflict of interest. Cleveland Wealth, LLC always acts in the best interest of the client and clients are in no way required to the services of any representative of Cleveland Wealth, LLC in connection with such individual's activities outside of Cleveland Wealth, LLC.

Thomas Williams Stockett is Owner of CW Settlements, LLC as of December 2018. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Cleveland Wealth, LLC always acts in the best interest of the client and clients are in no way required to the services of any representative of Cleveland Wealth, LLC in connection with such individual's activities outside of Cleveland Wealth, LLC.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

CW may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Clients will pay CW its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between CW and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. CW will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. CW will ensure that all recommended advisers are licensed or notice filed in the states in which CW is recommending them to clients.

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

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

CW has a written Code of Ethics that covers the following areas: Participation or Interest in Client Transactions, Personal Trading, Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties,

Training and Education, Recordkeeping, Annual Review, and Sanctions. CW's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

CW does not recommend that clients buy or sell any security in which a related person to CW or CW has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of CW may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of CW to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. CW will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of CW may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of CW to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, CW will never engage in trading that operates to the client's disadvantage if representatives of CW buy or sell securities at or around the same time as clients.

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

#### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on CW's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and CW may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in CW's research efforts. CW will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

CW will require clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC, Schwab Institutional, a division of Charles Schwab & Co., Inc., Fidelity Brokerage Services LLC, BNY Mellon, American Funds Distributors, Inc., Capital Bank and Trust Company, and Nationwide / Jefferson National.

### ***1. Research and Other Soft Dollar Benefits***

While CW has no formal soft dollars program in which soft dollars are used to pay for third party services, CW may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). CW may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and CW does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. CW benefits by not having to produce or pay for the research, products or services, and CW will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that CW's acceptance of soft dollar benefits may result in higher commissions charged to the client.

CW participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. CW receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, CW participates in TD Ameritrade's institutional advisor program and CW may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between CW's participation in the Program and the investment advice it gives to its clients, although CW receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving CW participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have CW's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to CW by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by CW's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit CW but may not benefit its client accounts. These products or services may assist CW in managing and administering client accounts, including accounts not maintained at TD

Ameritrade. Other services made available by TD Ameritrade are intended to help CW manage and further develop its business enterprise. The benefits received by CW or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, CW endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by CW or its related persons in and of itself creates a conflict of interest and may indirectly influence the CW's choice of TD Ameritrade for custody and brokerage services.

CW also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include Advent Black Diamond. TD Ameritrade provides the Additional Services to CW in its sole discretion and at its own expense, and CW does not pay any fees to TD Ameritrade for the Additional Services. CW and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

CW's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to CW, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, CW's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with CW, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, CW may have an incentive to recommend to its Clients that the assets under management by CW be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. CW's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

## ***2. Brokerage for Client Referrals***

CW receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

CW will require that clients use a specific broker-dealer to execute transactions. There is no conflict of interest, as the broker-dealer is not an affiliate or related person of CW. By directing brokerage, CW may be unable to achieve most favorable execution of client transactions which could cost clients money in trade execution. Not all advisers require or allow their clients to direct brokerage.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

CW does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

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

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for CW's advisory services provided on an ongoing basis are monitored as part of an ongoing process and reviewed at least annually by an investment adviser representative of the firm, with regard to clients' respective investment policies and risk tolerance levels.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by an investment adviser representative of the firm. Clients may have the option to review financial plans with representatives of CW either bi-annually or annually.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, clients may have the option to review financial plans with representatives of CW either bi-annually or annually.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of CW's advisory services provided on an ongoing basis will receive at least a quarterly report, if not monthly detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

CW participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which

include custody of securities, trade execution, clearance and settlement of transactions. CW receives some benefits from TD Ameritrade through its participation in the Program. There is no direct link between CW's participation in the TD Ameritrade Program and the investment advice it gives to its clients. Please see Item 12 for additional details.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

CW does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, CW will be deemed to have limited custody of client's assets due to the ability to directly debit fees via a qualified custodian and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Specifically, clients will receive account statements from the custodian and should carefully review those statements. Clients are urged to compare the account statements they received from custodian with those they received from CW.

## **Item 16: Investment Discretion**

CW provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client outlines the discretionary authority for trading. Where investment discretion has been granted, CW generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, or the price per share. In some instances, CW's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to CW).

## **Item 17: Voting Client Securities (Proxy Voting)**

CW will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

CW neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither CW nor its management has any financial condition that is likely to reasonably impair CW's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

CW has not been the subject of a bankruptcy petition in the last ten years.