

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

**January 22, 2021**



**CHERRYDALE  
WEALTH  
MANAGEMENT**

**Cherrydale Wealth Management, LLC  
547 North Avenue, #132  
New Rochelle, NY 10801**

This Form ADV 2A ("Disclosure Brochure") provides information about the qualifications and business practices of Cherrydale Wealth Management, LLC ("CWM"). If you have any questions about the contents of this Disclosure Brochure, please contact us by email at [info@cherrydalewm.com](mailto:info@cherrydalewm.com) or telephone at (917) 838-7507. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any State Securities Regulator.

Additional information about CWM is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD # 171541.

Please note that the use of the term "registered investment advisor" and description of CWM and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Disclosure Brochure and Brochure Supplement(s) for more information on our qualifications.

## Item 2: Material Changes

Form ADV 2 is divided into two parts: Part 2A (the "Disclosure Brochure") and Part 2B (the "Brochure Supplement"). The Disclosure Brochure provides information regarding our business practices and conflicts of interest. The Brochure Supplement provides information regarding our advisory personnel.

CWM believes transparency and communication form the foundation of our Client relationships and we will continually strive to provide complete and accurate information to Clients.

### **Material Changes**

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The following material changes have been made to this Disclosure Brochure since the last filing and distribution to Clients:

- Effective January 2021, the Advisor's principal place of business is located at 547 North Avenue, #132, New Rochelle, New York, 10801.

### **Future Changes**

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As appropriate, we will amend this Disclosure Brochure to reflect changes in regulations, our business practices, and routine annual updates as required by the securities regulators. This Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs. You may view the current Disclosure Brochure online at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD # 171541. You may also request a copy of this Disclosure Brochure by contacting us at (917) 838-7507.

### Item 3: Table of Contents

<b>Item 2: Material Changes</b>	2
<b>Item 3: Table of Contents</b>	3
<b>Item 4: Advisory Business</b>	4
<b>Item 5: Fees &amp; Compensation</b>	5
<b>Item 6: Performance-Based Fees &amp; Side-By-Side Management</b>	6
<b>Item 7: Types of Clients &amp; Account Requirements</b>	7
<b>Item 8: Methods of Analysis, Investment Strategies &amp; Risk of Loss</b>	7
<b>Item 9: Disciplinary Information</b>	10
<b>Item 10: Other Financial Industry Activities &amp; Affiliations</b>	10
<b>Item 11: Code of Ethics, Participation or Interest in</b>	10
<b>Client Transactions &amp; Personal Trading</b>	10
<b>Item 12: Brokerage Practices</b>	11
<b>Item 13: Review of Accounts or Financial Plans</b>	13
<b>Item 14: Client Referrals &amp; Other Compensation</b>	13
<b>Item 15: Custody</b>	14
<b>Item 16: Investment Discretion</b>	14
<b>Item 17: Voting Client Securities</b>	14
<b>Item 18: Financial Information</b>	14

## Item 4: Advisory Business

Cherrydale Wealth Management, LLC (“CWM”, the “Advisor”, “we” and “our”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). CWM is a limited liability company (“LLC”) formed in the State of New York and has been in business as a registered investment advisor since August 2014. CWM is solely owned by Jordan Szekely. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by CWM.

CWM’s mission is to provide comprehensive wealth management advice to individuals and families (each a “Client”). We are open to working with other types of Clients in the future. CWM emphasizes creating a goals-based, consultative partnership with Clients.

The Advisor serves as a fiduciary to Clients, as defined under applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness, and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11.

### **Description of the Types of Advisory Services We Offer**

CWM provides investment advisory and wealth management services to Clients. To create a comprehensive financial strategy, we seek to understand each Client’s goals, risk-tolerance, resources, and investment time horizon. Our services include developing an appropriate and customized strategic asset allocation based on the Client’s investment objectives, implementing and monitoring this allocation, and financial planning. Our holistic approach incorporates non-investment issues including insurance, taxes, trusts and estates, philanthropy, family education, college funding, etc. In these areas, we help manage and coordinate interactions with trusted specialists who supplement our advice. CWM helps ensure its Clients’ financial decisions are well-integrated with their lifestyle choices, investment portfolios, and financial plan.

Our Clients’ investment portfolios are primarily comprised of no load, institutional-class mutual funds and exchange-traded funds (“ETFs”). CWM does not engage in subjective forecasting of financial markets. Client portfolios are designed for the long-term investor who believes capital markets will deliver fair and competitive returns over time.

If the Client experiences any significant changes to his/her financial or personal circumstances, the Client must notify us, so we can incorporate such information into the strategic asset allocation and financial plan. However, the Client is under no obligation to act upon our recommendation(s) or to affect any transactions through CWM. Our financial planning service is only available to existing Clients who pay a fee based on assets under management, and there is no additional financial planning fee.

At no time will CWM accept or maintain custody of a Client’s funds or securities, except for the authorized deduction of the Advisor’s fees. All Client assets will be managed within their designated account(s) at the Custodian, pursuant to the Client investment advisory agreement. Please see Item 12.

### **Tailoring of Advisory Services**

We offer customized investment advice to each Client. Clients have the opportunity to place reasonable restrictions, in writing, on the types of investments held in their investment portfolios. Please note,

restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account(s).

### **Participation in Wrap Fee Programs**

CWM does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by CWM.

### **Use of Independent Managers**

CWM may recommend that a Client utilize one or more unaffiliated investment managers or investment platforms (collectively "Independent Managers") for all or a portion of a Client's investment portfolio. The Advisor will perform initial and ongoing oversight and due diligence over the selected Independent Manager(s) to ensure that the Independent Managers' strategies and target allocations remain aligned with the Client's investment objectives and overall best interests. The Advisor will also assist the Client in the development of the initial policy recommendations and managing the ongoing Client relationship. The Client will be provided with the Independent Manager's Form ADV 2A (or other brochure that makes the appropriate disclosures).

### **Regulatory Assets Under Management**

As of December 31, 2020, CWM manages \$142,195,477 in Client assets, all of which are managed on a discretionary basis.

## **Item 5: Fees & Compensation**

### **How We Are Compensated for Our Advisory Services**

<b>Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>
All Assets	1.00%

CWM's fees are billed on a pro-rata annualized basis. Fees are billed quarterly, in advance of each calendar quarter, based upon the closing market balance at the end of the prior quarter. Total market balance calculations include all investments in the account(s), including cash and cash equivalents and are calculated gross of any margin utilized for the account(s). Fees are adjusted for contributions or withdrawals from the account(s) during a quarter based on the number of days remaining in the quarter and applied during the next billing period. Our financial planning service is only available to existing Clients who pay a fee based on assets under management, and there is no additional financial planning fee. In select instances, advisory fees are negotiable and will be deducted from the Client's account(s) at the Custodian. As part of the fee deduction process, the Client is made aware of the following:

- Your Custodian sends statements to you on at least a quarterly (typically monthly) basis showing your holdings, their market value, and all disbursements;
- You provide authorization permitting CWM to be paid directly from the account(s) held by the Custodian;
- CWM sends an electronic request to the Custodian indicating the amount of the fee to be paid from the Client's account(s), and this invoice is concurrently sent to the Client.
- We encourage Clients to compare information provided in their statements with those from the Custodian in account opening notices and subsequent statements.

### **Use of Independent Managers**

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As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio utilizing one or more Independent Managers. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager. The Advisor will only earn its investment advisory fee as described above. Independent Managers will not typically offer any fee discounts, but may have a breakpoint schedule which will reduce the fee with an increased level of assets placed under management with an Independent Manager. The terms of such fee arrangements are included in the Independent Manager's disclosure brochure and applicable contract[s] with the Independent Manager. The Advisor and the Independent Manager will each assume the responsibility for calculating and deducting their respective fees from the Client's account[s]. The total fee, including the Advisor's fee and the Independent Manager's fee will not exceed 2.00% annually.

### **Other Types of Fees & Expenses**

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Clients will incur transaction charges for trades executed in their accounts. CWM's recommended custodian does not charge securities transaction fees for ETF and equity trades in Client accounts, but does charge for mutual funds and other types of investments. These transaction fees are separate from CWM's fees. Also, Clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund or ETF, which shall be disclosed in the fund's prospectus (i.e. fund management fees and other fund expenses). Please see Item 12.

### **Termination & Refunds**

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We charge our advisory fees quarterly in advance. In the event you wish to terminate our services, we will promptly refund the unearned portion of our advisory fee to you. You need to contact us in writing and state you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account(s) and process a pro-rata refund of any unearned advisory fees.

### **Termination & Refunds – Independent Managers**

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In the event that the Advisor has determined that an Independent Manager is no longer in the Client's best interest, the Advisor will have the discretion to terminate the relationship with the Independent Manager. The terms for termination are set forth in the respective agreements between the Advisor and the Independent Managers.

### **Commissionable Securities Sales**

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We do not sell securities for a commission in our advisory accounts. Neither CWM nor any supervised persons accepts compensation for the sale of securities or other investment products.

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

CWM does not charge performance-based fees for its investment advisory services. The fees charged by CWM are as described in "Item 5: Fees & Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client.

CWM does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any investment options to its Clients.

## Item 7: Types of Clients & Account Requirements

We provide comprehensive wealth management advice to high net worth individuals and families. We are open to working with other types of Clients in the future. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. Clients interested in market timing can't open an account through CWM. We do not impose other requirements for opening and maintaining accounts or otherwise engaging us.

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

### Methods of Analysis

We meet with each Client to assess their unique portfolio objectives and wealth management needs. Through this consultative partnership, we work together to develop a customized strategic asset allocation plan(s) driven by the Client's long-term goals, risk tolerance, investment objectives, and constraints.

CWM relies on several sources of information to build and manage investment portfolios. We use publicly available research reports regarding mutual funds, ETFs, and other investment vehicles as well as research and analysis from custodians and third-party managers. We also use the Dimensional Fund Advisors ("DFA") Returns Program of historical asset class returns, brokerage firm research reports / white papers, newspapers, various financial periodicals, and ongoing discussions with portfolio fund managers, investment analysts, and other investment professionals in our network. Additionally, CWM has access to well-known academic researchers who provide in-depth research materials and education.

The analysis of asset classes includes reviewing historical and expected rates of return, standard deviations, and correlation coefficients between asset classes. CWM primarily utilizes no load, institutional-class mutual funds and ETFs in building investment portfolios. We have determined that DFA funds effectively capture the returns of target asset classes and provide ample opportunity to implement the investment policies of Client portfolios. Mutual fund companies provide Clients with prospectuses that identify potential risks involved in investing in the funds used in Client portfolios.

CWM Clients usually have a long-term investment horizon of at least 10 years (and often 20 to 30 years or more). Occasionally, we will purchase certain securities for shorter-term needs. For example, when harvesting tax losses, we will generally purchase replacement funds that are similar to a Client's investment and hold them for 31 days to avoid wash sale rules. The original funds are usually then repurchased. Another example of a short-term holding period is when cash or other short-maturity fixed income security is held for a Client's short-term funding goal. CWM evaluates the trading costs of these strategies and only recommends them to Clients when the expected after-tax benefits exceed expected costs.

### Risk of Loss

Investing in securities involves risk of loss that the Client should be prepared to bear. While the value of your investments in securities may increase and your account(s) could enjoy a gain, it is also possible they may decrease and your account(s) could suffer a loss. It is important you understand the risks associated with investing in securities and that your investments are appropriately diversified based on your investment objectives.

## **Types of Securities We Recommend**

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### **Equity Securities**

Equity securities represent an ownership position in a company. Equity securities typically consist of common stocks. The prices of equity securities fluctuate based on, among other things, events specific to their issuers as well as market and economic conditions. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.

There may be little trading in the secondary market for equity securities, which may adversely affect our firm's ability to value accurately or dispose of such equity securities. Adverse publicity and investor perceptions, which may or may not be based on fundamental analysis, could decrease the value and/or liquidity of equity securities.

### **Small Capitalization Equity Securities**

Investing in smaller companies may pose additional risks as it is often more difficult to value or dispose of small company stocks, more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and have the ability to tolerate potentially sharp declines in value.

### **Mutual Funds (Open-End Investment Company)**

Mutual funds have features that some investors might view as disadvantages:

#### **Costs Despite Negative Returns**

Investors must pay management fees and other expenses regardless of how the fund performs. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive. This includes instances where the fund performed poorly after purchasing shares.

#### **Lack of Control**

Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.

#### **Price Uncertainty**

With an individual stock or ETF, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking custodians' websites. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's Net Asset Value ("NAV"), which the fund may not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

### **Exchange-Traded Funds (ETFs)**

An ETF is a type of investment company (usually, an open-end fund or unit investment trust) whose primary objective is to track the return of a market index. An ETF is similar to an index fund given it will primarily invest in securities of companies included in a selected market index.



Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on an exchange. Like equity mutual funds, the prices of the underlying securities and the overall market may affect ETF prices. Similarly, factors affecting an industry segment may affect ETF prices that track that sector.

Under ordinary circumstances, index-based ETFs carry the typical risks associated with any index fund:

- *Market Risk* — The possibility the market the ETF attempts to track will decline.
- *Opportunity Cost* — The possibility that other investments will perform better.
- *Business Risk* — The possibility an individual holding falls and reduces the return for the entire portfolio.
- *Tracking Error* — The possibility the fund's manager will do a poor job of tracking the performance of the benchmark.

Because ETFs are subject to market supply and demand, they also carry the risk that their market value will deviate and trade at a discount to the actual value of the underlying securities.

### **Debt Securities (Bonds)**

Issuers use debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount to their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. Bonds with longer rates of maturity tend to have greater interest rate risks.

We generally invest Clients' cash balances in money market funds, Federal Deposit Insurance Corporation (FDIC) Insured Certificates of Deposit, high-grade commercial paper, and/or government-backed debt instruments. Ultimately, we try to achieve the highest return on our Clients' cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account, so that our firm may debit advisory fees for our investment advisory services.

### **Alternative Investments**

#### Real Estate Investment Trusts

Real estate investment trusts (REITs) primarily invest in real estate or real estate-related loans. Equity REITs own real estate properties, while mortgage REITs hold construction, development and/or long-term mortgage loans. The following can affect the values of REITs: changes in the value of the underlying property of the trusts, the creditworthiness of the issuer, property taxes, interest rates, tax laws, and regulatory requirements (such as those relating to the environment). Both types of REITs are dependent upon management skill, the cash flows generated by their holdings, the real estate market in general, and the possibility of failing to qualify for any applicable pass-through tax treatment or failing to maintain any applicable exempt status afforded under relevant laws.

#### Liquid Alternative Investments

Alternative investments like hedge funds and private equity funds are becoming more widely available and more liquid (i.e. easier to sell post-investment). Hedged mutual funds ("HMFs") deliver hedge fund-like exposure, but are available in a mutual fund structure.

HMFs differ from traditional, "long-only" mutual funds which limit themselves to buying and holding assets, most typically public equities or bonds. HMFs may function like traditional hedge funds by short selling, utilizing leverage, and investing in derivatives. Additionally, HMFs deploy capital through various hedge fund strategies including merger arbitrage, convertible arbitrage, long/short equity, macro trading, etc. In traditional hedge funds, these strategies typically have limited liquidity (sometimes only annual), performance fees (typically 20% of profits), high minimum investments (sometimes \$1 million or more), and are limited to certain qualified investors.

Investment Structure: An alternative fund of funds may offer greater diversification than a single-strategy or even multi-strategy alternative fund. At the same time, this greater diversification may lead to a flattening of return and potentially less transparency. There may also be an inability to re-allocate or adapt in a way that is beneficial to the overall performance of an individual fund of funds.

Strategy Risk Factors: In addition to the market and investment-specific risks traditional mutual funds possess, liquid alternative funds carry additional risks. For example, market-neutral funds tend to have significant portfolio turnover risk that can result in higher costs. Similarly, a distressed bond fund is likely to have significant credit risk.

### **Margin Borrowings**

The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin account(s) decline in value, the Client could be subject to a "margin call". In this scenario, a Client must either deposit additional funds with the broker or be subject to a mandatory liquidation of the pledged securities to compensate for the decline in value.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD # 171541.

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

The sole business of CWM and Mr. Szekely is to provide investment advisory services to its Clients. Neither CWM nor Mr. Szekely is involved in other business endeavors. CWM does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

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

A registered investment advisor and its advisory persons (CWM's "Supervised Persons") are considered a fiduciary and our firm has a fiduciary duty to all Clients. As a fiduciary, it is our responsibility to provide

fair and full disclosure of all material facts and to act solely in the best interest of each of our Clients. Our fiduciary duty is considered the core underlying principle of our Code of Ethics which also includes, among others, Insider Trading and Personal Securities Transactions Policies and Procedures. If a Client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided upon request.

We recognize the personal investment transactions of members of our firm demand the application of a high Code of Ethics and require that all such transactions are carried out in a way that does not endanger the interest of any Client. We retain all personal securities trading records to ensure that our Clients' interests are served before our own. At least annually, all Supervised Persons sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics.

Our firm and our advisory persons will not recommend to Clients, nor buy or sell for any Client accounts, securities in which CWM or any Supervised Person has a material financial interest. Supervised Persons of CWM may buy or sell securities and other investments that are also recommended to Clients. To minimize this conflict of interest, our Supervised Persons will place Client interests ahead of their own interests and adhere to our firm's Code of Ethics. Further, our Supervised Persons will refrain from buying or selling the same securities prior to buying or selling for our Clients in the same day. If a Supervised Person's account(s) are included in a block trade, the Supervised Person's account(s) will be traded in the same manner every time.

Our firm and its Supervised Persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all Clients. This disclosure is provided to give all Clients a summary of our Code of Ethics.

## Item 12: Brokerage Practices

### Selecting a Brokerage Firm

CWM does not have discretionary authority to select the broker-dealer/custodian (the "Custodian") for custody and execution services. The Client will engage the Custodian to safeguard Client assets and authorize CWM to direct trades to the Custodian as agreed in the advisory agreement. Further, CWM does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where CWM does not exercise discretion over the selection of the Custodian, we will often recommend the Custodian to Clients for custody and execution services. We seek to recommend a Custodian who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services.

We consider a wide range of factors, including, among others, the following:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities

- Financial condition
- Business reputation
- Quality of services

CWM participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TDAI"), member FINRA/SIPC (Financial Industry Regulatory Authority/Securities Investor Protection Corporation). TDAI is an independent and unaffiliated SEC-registered broker-dealer. TDAI offers services to independent investment advisors which include custody of securities, trade execution, clearance, and settlement of transactions. CWM receives some benefits from TDAI through its participation in the program. Please see the disclosure under Item 14.

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**Soft Dollars**

Our firm does not receive soft dollar benefits from any of the broker-dealer/custodians with whom it works. Soft dollar benefits are not allocated to any accounts that may generate different amounts of the soft dollar benefits. However, CWM does receive certain economic benefits as an institutional advisor. Please see Item 14.

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**Client Brokerage Commissions**

Our firm does not receive Client brokerage commissions.

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**Procedures to Direct Client Transactions in Return for Soft Dollars**

We don't accept research, services, or other products in return for soft dollars, because we believe it could present a conflict of interest in some instances.

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**Brokerage for Client Referrals**

Our firm does not receive brokerage for Client referrals.

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**Directed Brokerage**

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are affected. We routinely recommend that a Client directs us to execute through a specified broker-dealer.

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**Permissibility of Client-Directed Brokerage**

We allow Clients when possible to direct brokerage outside our recommendation. We may be unable to achieve the most favorable execution of Client transactions. Client directed brokerage may cost the Client more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

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**Special Considerations for ERISA Clients**

A retirement or ERISA plan Client may direct all or part of portfolio transactions for its account(s) through a specific broker-dealer to obtain goods or services on behalf of the plan. Such direction is permitted if the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### **Aggregation of Purchase or Sale**

We perform investment management services for various Clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more accounts, they are affected only when we believe that to do so will be in the best interest of the included accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration Client objectives, current asset allocation, and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation.

### **Item 13: Review of Accounts or Financial Plans**

We conduct annual as well as potentially quarterly account reviews for Clients as part of the regular monitoring and reporting process. The nature of these reviews is to learn whether Clients' accounts are in line with their investment objectives and appropriately positioned based on market conditions and investment policies, if applicable. We do not provide written reports to Clients, unless asked to do so. Only Jordan Szekely will conduct reviews.

We may conduct Client reviews of accounts or financial plans more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the Client's life events, requests by the Client, etc. Clients receive quarterly performance reports that summarize their portfolio positions, rates of return, and overall asset allocation.

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

CWM does not pay referral fees to any firm, person, or entity. CWM does not receive any additional compensation from a non-Client in connection to providing advice to Clients.

#### **Participation in Institutional Advisor Platform**

As disclosed in Item 12, the Advisor participates in TDAI's institutional customer program and the Advisor may recommend TDAI to Clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its Clients. However, the Advisor receives economic benefits through its participation in the program which are typically not available to TDAI 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 the Advisor 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 advisory 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 the Advisor by third party vendors. TDAI may also have paid for business consulting and professional services received by the Advisor's related persons. Some of the products and services made available by TDAI through the program may benefit the Advisor but may not benefit its Client accounts. These

products or services may assist the Advisor in managing and administering Client accounts, including accounts not maintained at TDAI. Other services made available by TDAI are intended to help the Advisor manage and further develop its business enterprise. The benefits received by the Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TDAI. As part of its fiduciary duties to Clients, the Advisor endeavors to put the interests of its clients first. However, Clients should be aware the receipt of economic benefits by the Advisor or its related persons could create a potential conflict of interest and may indirectly influence the Advisor's choice of TDAI for custody and brokerage services.

### **Item 15: Custody**

We do not have custody of Client funds or securities, except for the authorized deduction of our advisory fees. Our Clients receive at least quarterly (typically monthly) account statements directly from the Custodian.

If we decide to also send account statements to Clients, such notice and account statements include a disclosure that recommends Clients compare account statements received from the Custodian with those received from CWM. Clients should review statements received from the Custodian carefully and compare those statements to any reports received from CWM.

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

CWM exercises discretion in managing Client portfolios. Portfolio trading is based on the funds and allocations contained in each Client's individualized written investment policy statement. To trade Client portfolios, the Client grants CWM a limited power of attorney through the Custodian which enables CWM to trade on their behalf.

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

We do not accept proxy authority to vote Client securities. Clients will receive proxies or other solicitations directly from the Custodian. If proxies are sent to our firm, we are not obligated to act upon these proxies. At your request, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about a particular proxy vote or other solicitations.

### **Item 18: Financial Information**

We are not required to provide financial information in this Disclosure Brochure because:

- We do not require the prepayment of more than \$1,200 in fees and six or more months in advance.
- We do not take custody of Client funds or securities.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to Clients.
- We have never been the subject of a bankruptcy proceeding.