

# Form ADV - Part 2A

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*Updating Amendment -January 2021*

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*This brochure provides information about the qualifications and business practices of Barry M. Corkern & Co. If you have any questions about the contents of this brochure, please contact us at 501.664.7866 or [barryc@bcorkern.com](mailto:barryc@bcorkern.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 Barry M. Corkern & Co., Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Barry M. Corkern & Co., Inc. is a registered investment advisory firm. However, registration does not imply a certain level of skill or experience.*

*"We or us" refer to Barry M. Corkern & Co., Inc., its related parties and its employees. "You or Your" refers to clients or potential clients.*

***THIS IS AN ANNUAL UPDATING AMENDMENT. THERE ARE NO MATERIAL CHANGES SINCE THE LAST ANNUAL AMENDMENT DATED JULY 2019.***

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## Item 4 - Advisory Business

*Barry M. Corkern & Co., Inc. is a privately-held company owned entirely by Barry M. Corkern and was established in 1982. We provide comprehensive private, multi-generational wealth management services and investment advice. We have a fiduciary relationship with our clients.*

*We help our clients make complex financial decisions which impact their financial situation, and in some cases, future generations of our client. Comprehensive private, multi-generational wealth management integrates seven key areas of your financial circumstances:*

- 1) Asset management (your total investment picture)*
- 2) Disability and risk management (protecting you from catastrophe)*
- 3) Tax planning and management (improving your wealth-building efficiency)*
- 4) Debt management (reducing unnecessary expenses)*
- 5) Estate planning (helping you transfer your lifetime assets to your heirs)*
- 6) Charitable planning*
- 7) An evaluation of the goals and objectives that provide context for your financial plan.*

*We use mathematical analysis and forecasting, professional evaluation and advice, specific recommendations, a structure for making decisions, and accountability—to enable you to make effective financial decisions.*

*In the broadest possible sense, our goal and duty is to be your advocate in every area of your life in which we are allowed to be a part. We work to help you make decisions that will resolve existing problems and prevent future ones. When it is not possible for us to handle your problems alone, we will engage outside professionals and monitor the relationship to ensure that the work done on your behalf is of the highest standards.*

*Our investment activities are generally defined by principles that are collectively known as Modern Portfolio Theory, based on the work of Harry Markowitz, who was awarded the Nobel Prize in Economics in 1990. One of the primary tenets of Modern Portfolio Theory is the idea that the future cannot be predicted, and neither can stock prices. Another primary tenet is that a portfolio composed of several asset classes will experience fewer price movements and volatility than more concentrated portfolios—even though the more diversified portfolio will inevitably include some losing positions at any given time.*

*Despite the scientific underpinnings, we believe that the investment discipline that we provide is not rocket science. Many of our clients have the intellectual ability to practice it without us. Yet our investment services are valuable to them because we take the emotions out of their decisions, and because we handle the administration associated with maintaining and monitoring family wealth and investment portfolios.*

*The first step in our process is to identify the client's personal goals and objectives; and to assess risk tolerance, so that we can better understand how the client's assets, their timeline and finances can be organized to achieve these goals and objectives. Our investment advice leads to a custom investment portfolio for each client and is implemented primarily with no-load mutual*

*funds, with occasional recommendations for individual stocks, bonds, private ventures, private real estate and exchange-traded funds.*

*During the course of the year, if we believe that a change in the client's portfolio is recommended because of changed qualitative factors in the investment or investment environment which could cause adverse consequences to the client's investment portfolio; we will contact the client for authority to execute recommended changes. The client can ask questions before the changes are made. A transaction never occurs without the client's implicit authority and acknowledgment. The client receives notification from us and from the investment custodian concerning transactions made in the account.*

*Our advisory services are tailored to each specific client situation and the individual needs of each client. Clients may impose restrictions on investing in certain securities or types of securities.*

*We do not participate in wrap fee programs.*

As of December 31, 2020, the amount of client assets under management on a non-discretionary basis was **\$122,226,352**.

## **Item 5. Fees and Compensation**

*The fee for private wealth management, which includes investment advice, is billed as a percentage of assets under management, regardless of the number of accounts you have. The fee is based on account size. Fees are calculated on a quarterly basis and are payable in arrears. The percentage is determined by the account balance at the end of each quarter.*

<b>Assets Under Management</b>	<b>Annual Rate</b>	<b>Annual Fee in Dollars</b>
Up to \$1,000,000	1.0%	Up to \$10,000
The next \$1,000,000	.75%	Up to \$17,500
Amounts over \$2,000,000	.50%	No limit

*How is the fee calculated? For example, the fee for \$900,000 of assets under management is \$9,000 per year (1.0% of \$900,000). The fee for a \$1,500,000 of assets under management is \$13,750 (\$10,000 for the first \$1 million and \$3,750 for the balance). The fee for a \$4,500,000 of assets under management is \$30,000 (\$10,000 for the first \$1 million; \$7,500 for the next \$1 million and \$12,500 for the balance).*

*Sometimes the fee is negotiable under certain circumstances. We may reduce or waive our advisory fees for related persons of the firm, household members of the related person, and/or personal friends of Barry. At times, Barry decides to provide certain services on a pro bono basis.*

*Also, some client situations require is to modify our advisory fee because certain assets are not subject to a fee.*

*We deduct our fees from your brokerage account or we can send you a bill for fees incurred. You receive an invoice each quarter with a calculation showing how we arrived at your fee. If the rate of fees is increased in the future, you will be given advanced notice before it happens.*

*Other types of fees or expenses may be charged in connection with your advisory services. We generally recommend that clients use the brokerage services of Fidelity Institutional Wealth Services for investment custodial accounts, but you are free to use any other broker-dealer, bank or trust company we recommend or as directed by you. Investment custodians may charge transfer taxes and fees; wire and transfer fees; securities transactions and other account fees or taxes to your account. Mutual fund charge fees as disclosed in the fund's prospectus which include deferred sales charges and other fees. For individual stock or bond transactions you will incur brokerage and other transaction fees as charged by your investment account custodian. You should review Item 12 of this brochure that discusses brokerage firms and practices.*

*Our advisory fees are billed in arrears at the end of each calendar quarter.*

*We do not accept compensation, directly nor indirectly, for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale or maintenance of mutual funds. We do not charge advisory fees in addition to commissions or markups because we do not receive commissions or markups. We primarily recommend no-load mutual funds. We are not licensed or registered to receive the fees described in this paragraph. Moreover, we believe it is a conflict of interest for a financial professional to receive both fees and commissions.*

*However, sometimes we do recommend an investment which involves a transaction fee, or fees and commission paid to the custodian. Some mutual funds pay a commission at the time of the transaction and/or pay fees or commission subsequent to the transaction. We are not paid those fees and commission; those are paid to the custodian. If we recommend an investment which pays a commission or fee to the custodian, we will advise of the fees involved and you can decide to accept or reject our recommendation. You have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us.*

*Hourly consulting occurs when we provide services which are not outlined above and is charged at the rate of \$225 per hour. Such services are generally defined by you and us before work begins. The total fee is estimated before work begins and is charged in arrears when the work is completed to your satisfaction.*

*Litigation support is provided by way of expert testimony and case preparation by Barry M. Corkern only and is charged at the rate of \$295 per hour.*

## **Item 6. Performance-based fees**

*We do not charge performance-based fees, which are based on a share of capital gains or capital appreciation of your investments.*

## **Item 7. Types of Clients**

*We provide investment advice to individuals, trusts, corporations, retirement plans, foundations and endowments. There are no minimum requirements to open or maintain an account; we are guided more by the impact our work has on a client's circumstance.*

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

*Investing in securities involves risk of loss that you should be prepared to bear. Even a diversified portfolio will inevitably include some losing positions at any given time.*

*An essential element to developing a proper investment strategy is the determination of your risk tolerance. We ask you to complete a risk tolerance questionnaire which helps us understand your tolerance for risk; and helps you understand how risk impacts investments. The results of the questionnaire provide a general direction of how much cash, bonds and stocks should be in your portfolio. We then develop an asset allocation report for your portfolio by using a portfolio optimization software program and is based on your risk tolerance. The asset allocation is illustrated by a pie chart, of which the various slices reflect certain asset classes and their corresponding percentage of the overall portfolio. The asset allocation provides risk-return estimates for twelve asset classes which are computed from long-term historical data, overlaid with financial theory and adjusted for current interest rates. The report provides a back test of performance, risk measurement and expected return of the portfolio. The report also provides a statistical 'worst-case loss' scenario so that you can get a sense of the potential loss to your investments. When approved by you, we develop a written Investment Policy Statement ("IPS"), which memorializes the portfolio asset allocation along with your goals and objectives.*

*Once the IPS is established, we search a database of mutual funds, stocks and bonds to implement the various segments of your portfolio. We emphasize no-load, transaction-free mutual funds whenever possible. The selection and recommendation of specific investment is based on certain criteria stated in the IPS. You give us specific authority to execute the trades to buy each investment in the portfolio.*

*Subsequent to implementation, we monitor the portfolio for qualitative and quantitative factors. If an investment no longer meets the qualitative criteria, we will recommend a replacement investment which does meet the criteria at the time. From time to time, we will recommend quantitative changes to rebalance the portfolio to the target asset allocation as indicated in the IPS.*

*This method of analysis and investment strategy has not, in the past, involved frequent trading of securities. Frequent trading can affect investment performance, particularly through increased brokerage, other transaction costs and taxes.*

*The majority of our client's portfolios are comprised of no-load mutual funds, which invest in stocks and bonds, both domestic and foreign. We recommend index funds and actively-managed funds. Some mutual funds have more risk than the general market; while some funds have below-market risk based on historical information. While any investment can incur losses, the objective of asset allocation and selection criteria helps to excess market risk*

*We employ asset allocation principals consistent with Modern Portfolio Theory. While we do not regularly use charting methodology, we will occasionally review charts in formulating its advice to you. We use resources and research found on various public and private websites, as well as independent resources purchased by us, in formulating advice.*

### **Item 9. Disciplinary Actions**

*There are no legal or disciplinary events which are material to your evaluation of Barry M. Corkern & Co., Inc.*

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

*CEFEX, the Centre for Fiduciary Excellence, LLC, has certified Barry M. Corkern and Company of Little Rock, AR to the standard described in the handbook "Prudent Practices for Investment Advisors". We are part of an elite group of Investment Advisors to successfully complete the independent certification process.*

*The standard describes how an Investment Advisor assumes the responsibility for managing a client's overall investment management process, which includes the selection, monitoring and de-selection of investment managers, as well as developing processes to implement investment strategies and fiduciary practices on an ongoing basis. BMC has been certified for provision of its investment advisory services to individuals, endowments, foundations, personal trusts and ERISA defined contribution plans. The annual certification process involves a detailed assessment of operational data and procedures, followed by on-site interviews with key personnel. BMC is registered at [www.cefex.org](http://www.cefex.org), where its certificate can also be viewed.*

*The standard is substantiated by legislation, case law and regulatory opinion letters from the Employee Retirement Income Security Act (ERISA), Uniform Prudent Investor Act (UPIA), Uniform Prudent Management of Institutional Funds Act (UPMIFA) and the Uniform Management of Public Employee Retirement Systems Act (MPERS) in the U.S.*

### **Item 11. Code of Ethics**

*We follow the Code of Ethics ("COE") as proscribed SEC regulations. We will provide a copy of our COE to you upon request. At least annually, you are given notice of your right to receive a full copy of the SEC COE. We also follow the COE for Certified Financial Planners® and Accredited Investment Fiduciary Analyst® designations.*

*The COE establishes the standards of conduct expected of our employees and associates; and requires compliance with various securities laws. The SEC COE proscribes written policies designed to prevent the unlawful use of material non-public information by us. All employees and associated persons are required to report their personal investments and transactions. They also must get pre-approval of initial public offerings and limited investment offerings before they can be purchased in their personal portfolios.*

*From time to time, Barry will buy interest or shares in private equity or venture capital companies which are also recommended to you. When a recommendation is made in these circumstances, Barry provides full disclosure to you of any and all actual and potential conflicts of interest. You are asked not to infer any meaning in the facts relating to us or Barry's decision to invest in the same companies which are being recommended to you. The recommendation to you is based on your risk tolerance, portfolio composition and your level of interest in high-risk investments, as well as other factors.*

*We are not permitted to make any securities purchase, or sale, for our personal account which may affect a securities transaction for you. These requirements do not apply to money market funds, mutual funds, unit investment trusts, government bonds or short-term debt instruments and bank certificates of deposit.*

## **Item 12. Brokerage Practices**

*Custodial firms or broker-dealers which we recommended to you do not pay us commissions for trades executed in your account.*

*At no cost to us, broker-dealers, from time to time, provide research, economic commentary and regulatory information via their website and by email which is accessed by us. Recently these web sites provide various financial planning software and tools which sometimes assist us in advising you on various financial decisions. Broker-dealers provide, at no cost to us, order execution software. These services may be applied, where applicable, to your account. Fidelity Institutional Wealth Services (“FIWS”), as discussed in Item 5 above, provides us with these services. A conflict of interest exists because we receive the economic benefit of these services which may influence our choice of broker-dealer over a broker-dealer that does not provide similar services. We endeavor to put your interest first and we believe these services ultimately benefit you.*

*It is possible that the commission charged by a recommended broker-dealer on a particular trade may be higher than charged by another broker-dealer. However, we review data which indicates that FIWS, or any other recommended investment custodian, is providing best execution for securities transactions.*

*We recommend a broker-dealer based upon its overall evaluation of the broker-dealer. We do not and have not directed client transactions to any broker-dealer in exchange for the services mentioned above. We recommend custodian broker-dealers to you based on the following*



*factors: quality of services provided to you; competitive commissions for trades; technology and access to financial information and your account information. We periodically review these factors and will recommend a change, if appropriate for your situation.*

### **Item 13. Review of Accounts**

*All accounts reviews are conducted by Barry M. Corkern. We have various systems and procedures whereby Barry conducts reviews of client portfolios on a regular basis. Investment portfolios are updated, reviewed and reported to you each calendar quarter; however, you may request an interim report at any time. The report details the name of the investment; original investment amount; current investment amount (number of shares and market value as of the date of the report); percentage of the portfolio the investment represents; yield of the investment; appreciation/depreciation of the investment; time-weighted or internal rate of return for each component of the portfolio; time-weighted or internal rate of return for the entire portfolio; comparative market index returns. Additional information and disclosures may be added to the reports as changes are made to the reporting software.*

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

*No firm or person provides an economic benefit to us for providing investment advice or other advisory services to you. We do not receive any sales awards or other prizes from any firm, company or person.*

*We do not directly or indirectly compensate any person or firm for client referrals.*

### **Item 15. Custody and Account Statements**

*We do not take custody of your funds or assets. You choose the custodian firm (trust, bank, broker-dealer firm) to hold your investment funds. The custodian firm will provide monthly account statements and confirmation statements for all investments held by the custodian firm. You authorize us to debit our fee from your investment account and to remit the asset management fee to us in accordance with applicable custody rules. You should review and compare the custodian statement with our statements which are a part of your quarterly report.*

### **Item 16. Investment Discretion**

*We are a non-discretionary registered investment advisory firm. During the course of the year, if we believe that a change in your portfolio is recommended because of changed factors in the investment or investment environment which could cause adverse consequences to your investment goals, we will contact you for authority to execute recommended changes. You can ask questions before these qualitative and/or quantitative changes are made. A transaction never occurs without your implicit authority and acknowledgment. You receive notification from us and from the custodian concerning transactions made in your investment account.*

### **Item 17. Proxy Voting**

*We don't give you recommendations for your proxy vote for your investments. You will receive your proxies and solicitations directly from your investment custodian.*

### **Item 18. Financial Information**

*We are required to disclose any financial circumstance which is likely to prevent us from meeting our contractual commitments to you. We don't ask you to pay our fee in advance of the service we provide and therefore have nothing to disclose.*