

# Charles Carroll Financial Partners Client Brochure

*This brochure provides information about the qualifications and business practices of Charles Carroll Financial Partners. If you have any questions about the contents of this brochure, please contact us at (855)-585-3600 or by email at: [bill.hayes@charlescarrollfp.com](mailto:bill.hayes@charlescarrollfp.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 Charles Carroll Financial Partners is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Charles Carroll Financial Partners's CRD number is: 147960*

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*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 Charles Carroll Financial Partners on March 12, 2020. Material changes relate to Charles Carroll Financial Partners policies, practices or conflicts of interests only.

- Charles Carroll Financial Partners has updated their Primary Office Address (Front Page).

## Item 3: Table of Contents

### Table of Contents

Item 2: Material Changes.....	ii
Item 3: Table of Contents.....	iii
Item 4: Advisory Business.....	1
A. Description of the Advisory Firm.....	1
B. Types of Advisory Services.....	1
Financial Planning.....	1
Living Financial Plan Consultative Services.....	2
Investment Supervisory Services.....	2
Specific Types of Investments.....	4
C. Client Tailored Services and Client Imposed Restrictions.....	4
D. Wrap Fee Programs.....	4
E. Amounts Under Management.....	4
Item 5: Fees and Compensation.....	5
A. Fee Schedule.....	5
Investment Supervisory Services Fees.....	5
Fixed Fees.....	5
B. Payment of Fees.....	6
Payment of Investment Supervisory Fees.....	6
Payment of Financial Planning Fees.....	6
C. Clients Are Responsible For Third Party Fees.....	6
D. Prepayment of Fees.....	6
E. Outside Compensation For the Sale of Securities to Clients.....	6
Item 6: Performance-Based Fees and Side-By-Side Management.....	6
Item 7: Types of Clients.....	7
Minimum Account Size.....	7
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss.....	7
A. Methods of Analysis and Investment Strategies.....	7
Methods of Analysis.....	7
Charting analysis.....	7
Fundamental analysis.....	7
Technical analysis.....	7
Cyclical analysis.....	7
Investment Strategies.....	8
B. Material Risks Involved.....	8

Methods of Analysis .....	8
Fundamental analysis.....	8
Technical analysis.....	8
Cyclical analysis .....	8
Investment Strategies.....	8
C. Risks of Specific Securities Utilized .....	9
Item 9: Disciplinary Information .....	9
Item 10: Other Financial Industry Activities and Affiliations.....	9
A. Registration as a Broker/Dealer or Broker/Dealer Representative .....	9
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.....	9
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.....	9
D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections.....	9
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
A. Code of Ethics.....	10
B. Recommendations Involving Material Financial Interests .....	10
C. Investing Personal Money in the Same Securities as Clients.....	10
D. Trading Securities At/ Around the Same Time as Clients' Securities .....	10
Item 12: Brokerage Practices.....	10
A. Factors Used to Select Custodians and/or Broker/Dealers .....	10
1. Research and Other Soft-Dollar Benefits .....	11
2. Brokerage for Client Referrals .....	11
3. Clients Directing Which Broker/Dealer/Custodian to Use .....	11
B. Aggregating (Block) Trading for Multiple Client Accounts .....	11
Item 13: Reviews of Accounts .....	11
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	11
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts.....	11
C. Content and Frequency of Regular Reports Provided to Clients.....	12
Item 14: Client Referrals and Other Compensation .....	12
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes) .....	12
B. Compensation to Non -Advisory Personnel for Client Referrals.....	12
Item 15: Custody.....	12
Item 16: Investment Discretion .....	12
Item 17: Voting Client Securities (Proxy Voting).....	13
Item 18: Financial Information.....	13
A. Balance Sheet .....	13
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	13
C. Bankruptcy Petitions in Previous Ten Years .....	13
Item 19: Requirements For State Registered Advisers .....	13

A.	Principal Executive Officers and Management Persons; Their Formal Education and Business Background .....	13
B.	Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any).....	13
C.	How Performance Based Fees are Calculated and Degree of Risk to Clients .....	14
D.	Material Disciplinary Disclosures for Management Persons of this Firm .....	14
E.	Material Relationships That Management Persons Have With Issuers of Securities (If Any) .....	14

## Item 4: Advisory Business

### A. Description of the Advisory Firm

This firm has been in business since August 1, 2008, and the principal owners are Carroll Williams Hayes and Mark Charles Hayes.

Charles Carroll Financial Partners, LLC was formed on August 1, 2008. The principal owners of the firm are Carroll William Hayes and Mark Charles Hayes. Charles Carroll Financial Partners, LLC (hereinafter "CCFP") is an independently owned and operated investment advisory firm. CCFP is not represented by or affiliated with any insurance company, trust company, bank, or investment firm.

CCFP, LLC provides investment management and personalized financial planning. These services are available to individuals, trusts, small businesses, pension and Profit - sharing plans, estates, and charitable organizations.

CCFP, LLC receives compensation based solely upon a fee only structure. As such, CCFP does not receive commission based on the client's purchase of any financial or insurance product. We do not receive commissions in any form. We do not pay for referral fees nor are referral fees accepted. The firm is not affiliated with the sale of any proprietary product that may compensate the firm for its purchase.

### B. Types of Advisory Services

CCFP offers the following services to clients:

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

CCFP provides financial planning to clients. Financial Planning typically includes an initial client meeting from which the client and CCFP will determine the scope of the engagement and define relevant expectations. Through this meeting CCFP will assess the financial client's situation and needs. Financial planning and subsequent financial plans may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and mortgage or credit planning.

Financial plans will consider all pertinent areas specific to the financial requests or needs of the client. Financial planning requires a collaborative effort. The benefits resulting from the compilation and interpretation of a financial plan are contingent upon the comprehensive nature of the information provided by the client.

CCFP offers this service based on an hourly and/or fixed fee basis. Prior to engaging CCFP, a written agreement outlining the financial planning services that will be

Form ADV 2A Version: 7/8/2021

required of CCFP will be established. The total cost depends upon the complexity of the situation and the depth of work requested or required to meet client expectations. Our hourly rate for this type of service is \$250 per hour.

The client retains all rights to his/her financial plan. As such, the client is under no obligation to implement any of the recommendations from CCFP. However, should a client wish to implement some of the investment recommendations or financial objectives delineated in the financial plan, CCFP will assist the client in the implementation process on an hourly and/or fixed fee basis.

### ***Living Financial Plan Consultative Services***

CCFP will develop a Living Financial Plan (hereinafter "LFP") for the client. The LFP will be a compilation of the pertinent aspects of the client's financial life and will factually reflect the client's overall financial health. The LFP will provide suggestions and alternatives for various aspects of the client's current financial status in order to enhance the growth of current non-retirement, lifestyle, and retirement assets. In addition, on-going consultative services are always available to the client during the contracted period.

In order to insure that CCFP understands the financial concerns of the client, a Letter of Engagement (LOE) will be developed that delineates the client's and CCFP's responsibilities/requirements of the relationship. Once signed off by both the client and CCFP, the LOE will serve as a blueprint of the services requested of CCFP by the client.

During the contractual period, CCFP will provide its expertise in developing scenarios to enhance the client's opportunities in various financial segments, i.e. college planning, retirement planning, investment management, insurance review, savings issues, and a review of current and potential tax changes that could affect the client's net income.

CCFP will provide substantive feedback to client financial questions that should arise. This type of engagement will depend on the depth of services the client requires. Typically this service is a negotiated flat fee based on the complexity of the client situation and depth of service requirements.

There is no obligation on the part of the client to implement any recommendation, suggestion, or alternative presented by CCFP. This service does not include discretionary money management. The service requires a yearly renewal upon the expiration for services to continue. Timeliness of investment recommendations, suggestions, or alternatives is at the sole discretion of the client to implement.

## ***Investment Management Services***

CCFP's process in the implementation of Investment Management Services (hereinafter "IMS") begins with delineating the financial elements that the client is currently experiencing. Fact gathering allows CCFP to better comprehend our client's requirements, limitations, and opportunities for the management of their assets. CCFP constructs a Living Financial Plan (LFP) that specifies the factors affecting the client's financial situation. The LFP is developed in conjunction with the client and provides the blueprint for implementing an appropriate investment strategy. Factors for developing the LFP include, but are not limited to, the following items: family resources, familial circumstances, current income, tax levels, risk tolerance levels, retirement planning requirements, educational planning, estate planning, cash flow expectations, life insurance needs, and potential charitable giving desires.

The LFP will reflect assumptions on the future value of assets should the client adhere to the specifics of the plan. This provides the client with a "blueprint" to assess their attainment of their stated financial goals and aspirations.

Once the assumptions found in the LFP are agreed to by both CCFP and the advisory client, CCFP creates an Investment Policy Statement (IPS). The IPS delineates portfolio asset allocation, acceptable investment vehicles, roles, and responsibilities in the management of the client's financial assets. In addition, the IPS will delineate risk tolerance levels specific to the client's LFP. The IPS also serves to detail the measures and activities that will be employed in the monitoring and reporting of the client's results toward the client's financial goals and aspirations.

When a client employs CCFP to provide IMS, CCFP will request that the client provide discretionary authority to CCFP. This will allow CCFP to select, transact, and execute security purchases and sales on behalf of the client. As market conditions change, we will adjust the overall client strategy to curtail or increase exposure to certain asset classes.

The implementation of CCFP's IMS takes into consideration additional factors in the supervision of client assets. CCFP endeavors to minimize all fees associated with the implementation of IMS. CCFP will work with other professionals (e.g., lawyers, accountants, insurance agents, etc.) to provide services that may be outside the scope of CCFP, yet may be beneficially significant for the attainment of the client's financial well-being. For example, CCFP will work with tax professionals in order to understand the tax implications of specific investment strategies.

Clients that employ CCFP's IMS will have their assets held in the client's name by independent custodians such as Charles Schwab, TD Ameritrade, and Vanguard.



CCFP does not act as a custodian for any client assets.

The fees for this service are published in our current ADV and are based upon the total assets under management. The fees are assessed quarterly in arrears.

CCFP utilizes its own proprietary money management process. This process primarily employs individual securities. However, when opportunities arise where the use of ETF's, mutual funds, bonds, or other properly issued and registered securities can provide unique opportunities for return to our clients, they may be utilized. As a standing rule, CCFP does not share the responsibility of managing client assets with any other firm.

In some instances, outside management services may already be employed by the client. When this occurs, at the client's direction, we will perform a comprehensive review of the outside firm's ability to provide substantive return in line with the client's expectations. CCFP will provide this review on a flat-fee basis. CCFP will track the performance of the outside management service as part of its monitoring and reporting commitment to the client.

### ***Specific Types of Investments***

CCFP limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETF's, real estate, hedge funds, REITs, insurance products including annuities, private placements, and government securities.

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

Specific client Financial Plans and their implementation are dependent upon the client's IPS. This document outlines each client's current situation which may include income, tax levels, and risk tolerance levels, and is used to construct a client specific "blueprint" to aid in the selection of the portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions with regards to the types of securities they wish not to invest, in accordance with their values or beliefs. However, if the restrictions prevent CCFP from properly servicing the client account, or if the restrictions set forth by the client, in the estimation of CCFP, restrict or impede the client's ability to attain proper levels of asset allocation or return, CCFP reserves the right to end the relationship.

## **D. Wrap Fee Programs**

CCFP does not participate in any wrap fee programs.

## E. Amounts Under Management

CCFP has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$105,542,467.00	\$2,272,360.00	December 2020

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Management Services Fees*

Total Assets Under Management	Annual Fee
\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,000 - \$2,000,000	1.00%
Over \$2,000,000 - \$5,000,000	0.75%
Over \$5,000,000	0.50%

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract.

Advisory fees are withdrawn directly from the client's accounts with client written authorization. However, clients will receive by mail a detailed invoice reflecting the management fees assessed to the client on a quarterly basis.

CCFP is fee-only financial services firm. Our fees are determined by a percentage of assets under management or on an hourly fee basis.

#### *Fixed Fees*

For clients with less than \$250,000, there will be a fixed fee of \$3,750 per year. Fees are paid in arrears upon completion. Clients may also be offered the option to pay an hourly fee of \$250 for services. Because fees are charged in arrears, no refund is necessary. The fees are negotiable and the final fee schedule will be attached as Exhibit

Form ADV 2A Version: 7/8/2021

II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

## **B. Payment of Fees**

### ***Payment of Investment Management Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears.

Advisory fees may be invoiced and billed directly to the client with payments due by the 15th of the month in which they are billed.

### ***Direct Billing of Clients***

Should clients wish to be billed through an invoice, delivered and returned through the USPS, that process will incur additional charges of \$100 per quarter.

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

Fixed Financial Planning fees are paid via check. Because fees are charged in arrears, no refund is necessary.

## **C. Clients Are Responsible For Third Party Fees**

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

## **D. Prepayment of Fees**

CCFP collects its fees in arrears. It does not collect fees in advance.

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

Neither CCFP, nor its supervised employees, accept any compensation for the purchase or sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds. No compensation is accepted by CCFP that would be considered to be associated with third party endorsements, or soft dollar arrangements.

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

CCFP 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**

CCFP generally provides investment advice and/or management supervisory services to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Trusts
- ❖ Small businesses
- ❖ Pension and Profit-sharing plans
- ❖ Estates
- ❖ Charitable Organizations.

### ***Minimum Account Size***

There is an account minimum, \$250,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

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

#### ***Methods of Analysis***

CCFP's methods of analysis include charting analysis, fundamental analysis, technical analysis, quantitative analysis and cyclical analysis.

**Charting analysis** involves the use of patterns in performance charts. CCFP uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security. Quantitative analysis which involves the development of earnings, cash flow, dividend, and revenue models based upon historical criteria, that are utilized in the development of a formal listing of specific securities which have met stringent consistency and intrinsic value criteria in order to be considered as investments for our clients.

### ***Investment Strategies***

CCFP uses long term trading and short term trading strategies.

**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***

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

### ***Investment Strategies***

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally holds greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Form ADV 2A Version: 7/8/2021

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

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

CCFP generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

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

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

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

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

Neither CCFP nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

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

Neither CCFP nor its representatives are registered as a FCM, CPO, or CTA.

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

Neither CCFP nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

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

CCFP believes that the use of outside money managers could hamper CCFP's ability to affect the management of the client's assets in an expeditious and prudent manner.

Therefore, the responsibility of the management of the client's assets falls solely on the ability of CCFP to act in the best interests of the client. When necessary, and without delay, CCFP will employ outside professional services when the area of expertise, required by the client, is outside the scope of the firm's capabilities.

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

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

We have a written Code of Ethics that covers the following areas: 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. Clients may request a copy of our Code of Ethics from management.

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

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

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

From time to time, representatives of CCFP may buy or sell securities for themselves that they also recommend to clients. CCFP will always document any transactions that could be construed as a conflict of interest and will always transact client business before their own 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 CCFP may buy or sell securities for themselves at or around the same time as clients. CCFP will not trade non-mutual fund or non-ETF securities 5 days prior to or 5 days after trading the same security for clients.

## **Item 12: Brokerage Practices**

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

The custodians were chosen based upon their relatively low or no transaction fees and access to bonds, mutual funds and ETFs. CCFP will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

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

CCFP receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

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

CCFP 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***

CCFP allows clients to direct brokerage. However, CCFP may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. Clients may be charged additional fees from the custodian for utilizing directed brokerage by the custodian/broker/dealer. This may have a material effect on client assets. CCFP may not be able to provide cost effective brokerage commissions because of the custodian chosen by the client.

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

CCFP maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that any client is at a disadvantage due to the best execution practices of the custodian.

## **Item 13: Reviews of Accounts**

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

Client accounts are reviewed weekly by Carroll William Hayes, Principal.



All financial planning accounts are reviewed upon financial plan creation and plan delivery by Carroll Williams Hayes, Principal. There is only one level of review and that is the total review conducted to create the financial plan.

#### **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).

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

Each client will receive, at least quarterly, a written report detailing the client's account valuation and changes. That report will be in addition to a custodian report sent quarterly to the client.

Clients are provided a one-time financial plan concerning their financial situation. The Financial Plan may be updated due to changes in the circumstances surrounding our clients at no charge to the client. Changes to the Financial Plan should be consequential in nature, i.e., change of job, sale of home, but should not affect the overall goal of the client. If the "goals" of the client are changed materially, then an additional financial plan may be required. Clients may request additional plans or reports for a fee.

### **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)**

CCFP does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CCFP clients.

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

CCFP does not directly or indirectly compensate any person for client referrals.

### **Item 15: Custody**

CCFP does not take custody of client accounts at any time. Custody of client's accounts is held primarily by the Custodian. Clients will receive account statements from the custodian and should carefully review those statements.

## **Item 16: Investment Discretion**

For those client accounts where CCFP provides ongoing supervision, CCFP maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. The buying and selling of securities effects the total return of a portfolio directly. CCFP requires that all accounts managed by CCFP provide discretionary control to CCFP. Should a client require prior notification of the purchase or sale of securities within an account, CCFP reserves the right to end the relationship.

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

CCFP 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**

CCFP does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

Neither CCFP nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

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

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

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

CCFP currently has only one management person and only one executive officer; Carroll Williams Hayes. Carroll Williams Hayes's education and business background can be found on the Supplemental ADV Part 2B form.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Carroll Williams Hayes's other business activities can be found on the Supplemental ADV Part 2B form.

### **C. How Performance Based Fees are Calculated and Degree of Risk to Clients**

CCFP 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.

### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at CCFP has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

### **E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither CCFP, nor its management persons, has any relationship or arrangement with issuers of securities.