

Item 1: Cover Page

# **COPLEY INVESTMENT MANAGEMENT, LLC**

**Ronald E. Copley, PhD, CFA**

## **ADV 2 DISCLOSURE BROCHURE**

**This part of the ADV gives information about the investment advisory business and for the use of clients.**

**Web Address: [www.copleyinvestmentmanagement.com](http://www.copleyinvestmentmanagement.com)**

**December 27, 2022**

(This brochure has been compiled by Copley Investment Management, LLC and has not been approved by the Commission or any state security authority)

**2328 Lynnwood Drive, Wilmington, NC 28403 Office: / PO Box 16090, Wilmington, NC 28408**

**910-452-7147**

**Email: [ron.copley@gmail.com](mailto:ron.copley@gmail.com)**

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### **Item 3: Material Changes:**

Copley Investment Management is registered with the Security Exchange Commission. All of Copley Investment Management, LLC's employees are working from home using a CIM computer. All records and emails are shared using a VPN (Virtual Private Network). Clients may call the office number or call Dr. Copley directly on his mobile (910) 431-6308.

Copley Investment Management has adopted the SEC's New Marketing rule which represents our Advertising and Marketing procedures.

An advertisement is generally defined as any communication, which includes websites, newsletters, emails, radio, television, and oral communication directed to more than one person concerning advice or recommendations about the advisory service in regards to securities.

Copley Investment Management's advertising practices prohibit the firm from engaging in fraudulent, deceptive, or manipulative activities. The manner in which investment advisers portray themselves, services and their investment return to existing and prospective clients is highly regulated. CIM does not use endorsements or testimonials in any of Copley Investment Management's advertising. Copley Investment Management's website communications are purely educational material and does not offer any hypothetical performance.

CIM always practiced this policy but now needs to formally adopt the policy.

### **Item 4: Advisory Business**

Ron Copley founded Copley Investment Management (CIM) in 1985. Ron pursued his education and careers in both academia and the investment advisory business. He has served as a Professor of Finance at Queens College, Memphis University, UNC Chapel Hill and UNC Wilmington where he published over 40 academic and professional articles. Currently, CIM manages approximately \$145 million for individuals and small business retirement plans, provides business valuations for legal matters, and actively provides international consulting services to foreign governments. He is conversant in Japanese.

#### **Asset Management: Individual and Families**

CIM is able to serve a variety of individuals and families who are seeking financial planning, retirement planning and investment reviews. Copley Investment Management provides personal attention to clients, and their financial assets.

#### **Institutional**

Qualified retirement plans, such as defined benefit, defined contribution, Keogh and SEPs can provide significant tax advantages for closely held businesses and self-employed individuals. Our qualified staff can assist you in evaluating the type of pension plan that will best serve the retirement needs of you and your employees.

#### **Business Valuation**

The value of your business is important and our competent staff has the experience to guide you through the process. We can provide useful and objective analysis to assist you in the valuation of any business in which you have an interest.

### **Expert Witness**

Litigation often results in the need for an opinion, from a qualified professional, in support or in opposition to evidence submitted in court. Whether you are dealing with an Antitrust, Intellectual Property, Personal Injury, Professional Malpractice or an Economic Damages lawsuit, CIM stands ready to assist your litigation team.

### **Wrap Fee Programs**

Copley Investment Management, as a matter of policy and practice, does not sponsor any wrap fee program, defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services and other administrative services.

### **Client Assets CIM Manages**

CIM manages approximately \$139,859,479 accounts on a discretionary basis and \$16,068,090 on a non-discretionary basis. This number is calculated annually during the first quarter of each year.

### **International Consulting**

CIM consults in numerous countries funded mostly via the US Agency for International Development.

- Financial Analyst Review in Raleigh, NC, 1987 – 1992
- Union Bank of Switzerland, 1988 – 1992
- Indonesian Financial Analysts Institute, 1990 – 1992
- Bangkok, Thailand, 1994
- Security Analysts Association of Japan, 1992 – 1999
- Manila, Philippines, 1994 – 1999
- Abu Dhabi Investment Authority, 1996 – 2000
- Amman, Jordan (Broker, Investment Banker, Social Security Corporation Training) 1999 – 2006

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

As a matter of policy and practice, CIM fees are disclosed to each client in the client's original "Letter of Agreement", with copies provided to each client. Copley Investment Management calculates fees according to the methodology stated in the agreement.

### **Fees**

Fees are generally not greater than 2% per annum, payable quarterly in arrears, of the market value of assets under management, although fees may be negotiable such as fixed fees, which are payable quarterly. Financial consulting services, including expert witness testimony are billed hourly generally at \$250 per hour, Business Valuations and Expert Witness Services are payable at the time of service. CIM never bills investment clients for fees in advance of service except a retainer for Valuations.

When transacting individual securities, CIM uses discount on-line trading whenever possible. If you direct CIM to use a full-service broker, CIM attempts to negotiate trade discounts. Copley Investment clients may invest in products, which CIM recommends through other brokers, or agents who are not affiliated with CIM.

### **Fee Arrangement**

Clients may choose to have their balance deducted from their account or to pay CIM directly

### **Item 6: Performance Base Fees**

Copley Investment Management does not accept any Performance Base Fees. CIM does not engage in market timing.

### **Item 7: Types of Clients**

Copley Investment Management provides advisory services to approximately 405 clients. The majority of Copley Investment Management's clients are families and individuals. A small percentage of clients are Pension and Profit-Sharing Plans, and Corporations. Copley Investment Management does not sponsor pooled vehicles (e.g., hedge funds).

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

CIM employs the top-down approach to investing based on an individual's risk tolerance. The general strategy for each client is diversification across multiple asset classes geared to the client's investment objective. ETF's, exchange-traded funds are generally used to create the foundation of the portfolio. Individual securities may be used depending on the client's risk tolerance. Macroeconomic risk is present in all portfolios and cannot be eliminated. Diversification is used in an attempt to negate microeconomic risk. Liquidity needs, tax factors, time horizon, and unique needs of each client are considered in creating an investment strategy uniquely fitted to each client. Interest rate risk, default risk, and general market volatility present risks to each client depending on the strategy employed. The client's age, temperament, financial responsibilities, and health affect the specific strategy to be employed. CIM formally reviews each client's portfolio quarterly in order to rebalance the portfolio according to the client's objectives. In forming an investment strategy, CIM focuses more on the client's personal risk tolerance as opposed to market conditions. CIM views its role as matching the client's needs with investment vehicles available in the market.

CIM minimizes fees in client accounts by using ETF's instead of Mutual Funds. CIM as part of their fiduciary duty always acts in good faith for their clients.

**Item 9: Disciplinary Information**

Neither Copley Investment Management nor any of its advisory affiliates have been found liable in any Disciplinary Action. CIM has never given false statements or omissions.

Neither CIM nor any of Copley Investment Management affiliates were involved in a violation of SEC or CFTC regulations. There are no proceedings before the SEC, or any other federal regulatory agency, state regulatory agency, or any foreign financial regulatory authority.

**Item 10: Education and Other Financial Industry Affiliations and Education****Ronald E. Copley: Founder and President (Personal CRD# 4559087)**

Received his BA in Economics, Old Dominion University (1973), MBA in Management, Old Dominion University (1974), PhD in Finance and Real Estate, University of South Carolina (1981), and Charter Financial Analyst (CFA) Charterholder (1986).

**Justin Burgess: Advisor (Personal CRD# 6260117)**

Received his Bachelor of Science in Business Administration, UNCW in 2010, Series 7 in 2013, and his series 66 in 2014.

**Other Financial Affiliations:**

Richard Weiss, MBA, MSA.

**Broker Dealer**

Copley Investment Management nor any Affiliates are registered as a Broker Dealer.

**Pooled Investment and Hedge Funds**

Copley Investment Management practice is not to engage in Pooled Vehicles or Hedge Funds.

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

Copley Investment Management adopted a "Code of Ethics", in 2004, which is updated as needed, to set forth standards of conduct expected of personnel for safeguarding material nonpublic information about client transactions, and addresses conflicts that arise from personal trading by personnel. Among

other things, the Code requires CIM's supervised persons to report their personal trading security transactions (Personal Securities Transactions Reports), and is designed to promote compliance with fiduciary standards and federal securities laws by all CIM personnel. CIM's code requires that all employees take reasonable care in preventing access to material nonpublic information about CIM's securities recommendations, and client securities holdings and transactions, unless those individuals need the information to perform their duties. All employees will now be working from home using Copley Investment Management's computers. The Code requires CIM to restrict access to client information on a "need to know" basis. CIM's "Code of Ethics" reminds personnel that investment opportunities must be offered to clients before the advisor or CIM's employees. Personal Holding reports are also required annually. The Code limits acceptance of gifts over \$50 in value. CIM periodically reviews the code for necessary modifications, and keeps documentation of personnel's signatures when they review the code. A copy of CIM's code is available to all clients upon request.

## **Item 12: Brokerage Practices**

### **Soft Dollar**

Copley Investment Management, as a matter of policy and practice, does not utilize research, research related products and other services obtained from broker-dealers on a soft dollar commission basis. Soft dollar generally refers to arrangements whereby a discretionary investment advisor is allowed to pay for and receive research, research related or execution services from a broker-dealer or third-party provider, in addition to the execution of transactions, in exchange for the brokerage commission from transactions for client accounts.

### **Broker Dealer Recommendation**

Copley Investment Management does recommend broker-dealers to clients. CIM reviews firms each quarter to determine order execution, commissions, and web access ease for use for clients. Copley Investment Management does not have an incentive for recommending broker-dealers based on client referrals. Unless a client specifies a particular broker-dealer, CIM generally recommends Charles Schwab.

### **Direct Brokerage**

Copley Investment Management does not require clients to execute transactions through a specified broker-dealer. Generally, CIM does not aggregate (group) orders. CIM may require permission of certain clients to place orders.

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

Dr. Ronald Copley formally reviews his client accounts toward the end of each quarter unless directed otherwise by the client. Dr. Copley may review an account throughout the quarter depending on the market conditions. Dr. Copley follows the client's investment policy statement when making the review. Dr. Copley assists Justin Burgess in reviewing his client accounts. One of Dr. Copley's assistants reviews each quarterly report for clerical errors before reports are sent to clients.

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

Copley Investment Management does not receive any compensation or economic benefit for client, or non-client referrals.

#### **Item 15: Custody**

The term “Custody” refers to when an advisor or firm holds the client’s assets directly or indirectly, and has the authority to obtain possession of them.

Copley Investment Management does maintain custody of advisory client’s funds by the authority to withdraw advisory fees from client’s accounts. A qualified custodian holds all client funds and securities. The custodian generally sends clients monthly statements (529 plans are quarterly). On each of CIM’s invoices the clients are urged to compare the account statements of the qualified custodian and the statements from CIM.

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

Copley Investment Management does accept discretionary authority to manage securities on behalf of clients. CIM discusses with the client the ability to manage and trade in their account.

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

Copley Investment Management, as a matter of policy and as a fiduciary to our clients, has the responsibility for voting proxies for portfolio securities consistent with the best economic interest of the client. CIM maintains written policies and procedures for handling, researching, voting and reporting proxy statements and makes appropriate disclosures about proxy CIM’s policies and practices. CIM’s policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. CIM generally votes with management on proxies.

#### **Client Request for Information**

All clients’ requests for information regarding proxy votes, or policies and procedures, received by any employee will be forwarded to Dr. Copley. Ronald E. Copley will provide a written response to the client with the information requested, and as applicable will include the name of the issuer, the proposal voted upon, and how CIM voted the client’s request with respect to each proposal about the client inquired.

#### **Voting Guidelines**

In the absence of specific voting guidelines from the client, CIM will vote proxies in the best interest of each particular client. Copley Investment Management’s policy is to vote all proxies from a specific issuer the same way for each client absence qualifying restrictions from a client. Clients are permitted to place reasonable restrictions on Copley Investment Management’s voting authority in the same manner those clients may place restrictions on the actual securities. CIM will generally vote in favor of



routine corporate housekeeping proposals such as election of directors and selection of auditor's absent conflicts of interest raised by an auditor's non-audit service. Copley Investment Management will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights. In reviewing proposals, CIM will further consider the opinion of management, and the effect on shareholders' value and the issuer's business practices.

### **Conflicts of Interest**

Copley Investment Management will identify any conflicts that exist between the interest of the adviser and client by reviewing the relationship of CIM with the issuer of each security to determine if Copley Investment Management or any of its employees has a financial, business or personal relationship with the issuer. If material conflicts of interest exist, Ronald E. Copley will disclose the conflicts to the affected clients, give the client an opportunity to vote the proxies themselves, or to address the voting issue through other objected means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation. CIM will maintain a record of the voting resolution. A full copy of our Proxy Voting Policy is available on request.

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

Copley Investment Management does not require or solicit prepayment of fees. CIM does not have custody of client funds except for Fee Deduction. Copley Investment Management has never been subject to a petition at any time for a bankruptcy petition. CIM's compensation and fees are listed above. CIM does not use performance-based fees.

### **Item 19: Requirements for State Registration**

Copley Investment Management is not compensated for performance base fees. Copley Investment Management has never been found liable for fraud, false statement(s) or omissions, theft embezzlement, or other wrongful taking of property, bribery, forgery, counterfeiting, or extortion; dishonest, unfair, or unethical practices.

**Item 1: Cover Page**

# **COPLEY INVESTMENT MANAGEMENT, LLC**

**Ronald E Copley, PhD, CFA**

## **ADV 2 BROCHURE SUPPLEMENT**

**This part of the ADV gives information about the name of CIM's supervised person and for the use of clients.**

**Web Address:** [www.copleyinvestmentmanagement.com](http://www.copleyinvestmentmanagement.com)

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**910-452-7147**

## **Item 2: Education Background and Business Experience**

Ronald E. Copley (personal CRD# 4559087) provides and formulates investment advice for clients and has direct client contacts. Dr. Copley was born on 1/8/1947 in West Virginia. Ron Copley founded Copley Investment Management (CIM) in 1985. Prior to that, Ron served in the 5th Special Forces Group in the US Army from 1966 to 1969 during which he received the Bronze Star Medal for valor as an infantry officer in Vietnam. After his military service, Ron pursued his education and careers in both academia and the investment advisory business. He has served as a Professor of Finance at Queens College, Memphis University, UNC Chapel Hill and UNC Wilmington where he published over 40 academic and professional articles. Currently, CIM manages approximately \$156 million for individuals and small business retirement plans, provides business valuations for legal matters, and actively provides international consulting services to foreign governments. He is conversant in Japanese.

### **Education & Training**

- BA in Economics, Old Dominion University (1973)
- MBA in Management, Old Dominion University (1974)
- PhD in Finance and Real Estate, University of South Carolina (1981)
- Chartered Financial Analyst (CFA) Charterholder (1986)
- Supplemental Retirement System, Board of Trustees (Governor Appointee) (2008 – Present)
- NC Lottery Oversight Committee (Governor Appointee) (2006 – Present) - Arbitration Panel of the National Association of Securities Dealers (NASD) and the New York Stock Exchange (NYSE) (1990 – Present)
- Deferred Compensation Board of NC (Governor Appointee) (2006 – 2008) - NC Teachers and State Employees Retirement System, Board, of Trustees (2006-2008) - Equity Advisory Committee to State Treasurer of NC (1986-1993)

## **Item 3: Disciplinary Information**

- Ronald E. Copley has not been involved in any disciplinary events.
- He has never been involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction.
- Ronald E. Copley was never convicted of, or pled guilty or (“no contest”) to (a) any felony; (b) misdemeanor that involved investments or investment- related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, counterfeiting, or extortion: or (c) a conspiracy to commit any of these offenses.

- He has never been named the subject of a pending criminal proceeding that involves an investment-related business.
- Ronald E. Copley has never been involved in any investment-related statute or regulation; or was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting him from engaging in any investment-related activities.
- Dr. Copley has never been involved in an administrative proceeding before the SEC or any other federal regulatory agency, any state regulatory agency, or any foreign regulatory authority in which he was found to have caused an investment-related business to lose authorization to do business.
- Neither CIM nor Ronald E. Copley has ever been imposed a civil penalty.
- His license has not been denied, suspended, or revoked to act in an investment related business.
- There has been no self-regulatory organization (SRO) proceeding in which Dr. Copley was involved.

#### **Item 4: Other Business Activities**

- Ronald E. Copley's primary business is Copley Investment Management.
- He does provide Expert Witness Services for Trail, Family, Estate, and Probate lawyers.
- Business Valuations.
- Litigation Support

#### **Item 5: Additional Compensation**

- Copley Investment Management does not accept any Performance Base Fees. CIM does not pay referrals.

#### **Item 6: Supervision**

- Dr. Copley and Justin Burgess are the only licensed advisors in the firm. Other employees perform research, reconcile trades, open accounts, and check management fees.

#### **Item 7: Requirements for State-Registered Advisors**

- Ronald E. Copley, President of Copley Investment Management, has never been found liable in an arbitration claim alleging damages involving any investment activities.

- Dr. Copley has not been involved in an award or otherwise being found liable in a civil, self-regulatory organizations, or administrative proceeding involving any of the following:
- Investment-related business or activities;
- Fraud, false statement(s), or omissions;
- Theft, embezzlement, or other wrongful taking of property;
- Bribery, forgery, counterfeiting, or extortion or dishonest, unfair, or unethical practices.