

## **Part 2A of Form ADV**

**McCarley & Cook LLC  
dba McCarley & Cook Financial Planners  
6910 Miami Ave.  
Cincinnati, OH 45243  
513-792-9990  
[www.mccarleycook.com](http://www.mccarleycook.com)**

**March 16, 2023**

This brochure provides information about the qualifications and business practices of McCarley & Cook LLC d/b/a McCarley & Cook Financial Planners ("McCarley & Cook" or "Firm"). If you have any questions about the contents of this brochure, please contact us at 513-792-9990 or at [chris@McCarleyCook.com](mailto:chris@McCarleyCook.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.

McCarley & Cook LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about McCarley & Cook LLC can be found on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

### **Material Changes since the Last Update**

Since the firm's ADV annual update of February 21, 2022, the firm had the following change:

- The firm was approved for registration as an investment adviser registration with the Securities and Exchange Commission ("SEC") in June 2022.

### **Full Brochure Available**

You may view the current Disclosure Brochure online at any time at the SEC's Investment Adviser Public Disclosure website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may also request a copy of this Disclosure Brochure at any time by contacting the Firm at 513-792-9990 or email [chris@McCarleyCook.com](mailto:chris@McCarleyCook.com).

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## Item 4 – Advisory Services

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### **Firm Information**

McCarley & Cook LLC is a fee-based investment advisory firm organized as a Limited Liability Company under the laws of the State of Ohio. McCarley & Cook was founded in August of 2017 and the DBA of McCarley & Cook Financial Planners in June 2020. McCarley & Cook became a state registered investment adviser in September 2020 and was approved for SEC registration in June 2022. Christopher Cook is the Firm's Managing Member and sole owner.

### **Advisory Services Offered**

McCarley & Cook offers financial planning and investment management services to individuals and families (each referred to as a "Client"). The following describes McCarley & Cook's engagements with its clients. McCarley & Cook does not provide securities custodial services.

### Wealth Management Services

Through its Wealth Management Services Engagement, McCarley & Cook provides lifestyle financial planning and investment management services to individuals and families pursuant to a written Advisory Agreement. Lifestyle financial planning services are customized to a client's financial situation, their goals, and stated financial objectives. Depending upon the Client's needs, lifestyle financial planning services can include among other areas; cash flow, net worth analysis, tax planning, college planning and retirement planning. In McCarley & Cook's investment management services, Clients will authorize McCarley & Cook with discretionary authority to manage the cash and securities in their account(s) to implement the sale and/or purchase of investments and select the account's custodian. While McCarley & Cook will always conduct transactions in the best interest of the Client, in granting McCarley & Cook discretionary authority, clients grant McCarley & Cook the full power to direct, manage, and supervise the investment and reinvestment of assets in their account without prior consultation.

*Use of Independent Managers* – For investment management services, we may use an unaffiliated independent investment manager to manage all or a portion of a clients' investment account(s). McCarley & Cook has entered into an arrangement with Asset Dedication, LLC ("Asset Dedication"), an independent registered investment adviser not affiliated with McCarley & Cook for investment management services to clients' accounts. Through this arrangement McCarley & Cook may recommend and use Asset Dedication's investment strategies and services for its clients' accounts, when appropriate, based on each client's individual needs. McCarley & Cook will perform initial and ongoing oversight and due diligence over the selected independent manager[s] to ensure the managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests. McCarley & Cook is responsible for determining a suitable investment strategy and portfolio for the client's investment needs and goals with Asset Dedication. McCarley & Cook is available to answer questions that the clients may have regarding their account. Asset Dedication will have discretionary authority to determine the securities to be purchased and sold for the client's accounts managed by Asset Dedication according to the investment strategy selected by McCarley & Cook. Asset Dedication also provides operational support to McCarley & Cook for the delivery of and reporting of portfolio management services.

At no time will McCarley & Cook accept or maintain custody of a client's funds or securities, except as to the authorized deduction of the Advisor's fees and in connection with a standing letter of authorization

on file with a client's custodian. All client assets will be managed within their designated brokerage account or pension account held at an independent custodian.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

#### Stand Alone Financial Planning

To the extent specifically requested by a client, McCarley & Cook will provide financial planning services on a stand-alone basis. Stand-alone financial planning services do not include investment management services. Implementation of the recommendations are solely the responsibility of the client. There is no ongoing monitoring of the client's circumstances after the contracted financial planning services are rendered.

#### **Advisory Agreements**

Prior to any engagement, each client is required to enter into an advisory services agreement that defines the terms, conditions, authority, and responsibilities of McCarley & Cook and the Client.

#### **Termination of Agreements**

If a client does not receive a Brochure at least 48 hours prior to entering into an advisory agreement, the client has a right to terminate the contract without penalty or fee within five business days after entering into the contract.

Although McCarley & Cook's engagements contemplate an ongoing agreement, the length of service is at the client's discretion. The client or McCarley & Cook may terminate the agreement at any time by written notice to the other party upon written notice.

#### **Wrap Fee Programs**

McCarley & Cook does not manage or place client assets into a wrap fee program.

#### **Assets Under Management**

As of December 31, 2022, McCarley & Cook had approximately \$103,515,152 in discretionary assets under management to report.

### **Item 5 – Fees and Compensation**

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McCarley & Cook's fee structure and compensation methodology is set forth below for each type of engagement. A client's fee is set forth in each client's written agreement with McCarley & Cook. Fees may be reduced or waived in certain circumstances and are negotiable in McCarley & Cook's sole discretion based on such factors as the complexity of the client's financial planning needs, and the relationship of the client with McCarley & Cook. In the event that the agreement's first renewal term begins on a date other than the start date of a calendar quarter, the Firm will prorate the first quarter of the client's renewal term fee to align the client's billing with a quarterly calendar billing cycle.

### Wealth Management Engagement Fee

For its Wealth Management Engagement fee, McCarley & Cook charges an annual fee based upon the assets under management according to the tiered Fee Schedule below, charged quarterly, in advance, using the value of the client's account(s) on the last day of the preceding quarter. The wealth management fee includes investment management services, and to the extent identified by the client, financial planning services.

Account Value	Asset-Based Rate per Annum
\$0 to \$1,000,000	1.0%
\$1,000,001 to \$3,000,000	.60%
Greater than \$3 MM	negotiable

For purposes of calculating a client's fee the Firm may aggregate accounts for members of the same household.

Some clients may be under a different fee schedule because their relationships were established under a prior fee schedule. Legacy clients of the Advisor will receive their original reduced fee schedule unless it's more advantageous for them to be placed on the new fee schedule shown above. Once the initial Agreement is signed this process will be monitored on a best-efforts basis by the Advisor.

*Independent Manager Fee:* Clients do not pay fees to Asset Dedication. McCarley & Cook's fee encompasses Asset Dedication's fee for the services provided to clients' accounts. Clients do not pay brokerage commissions or any other fees to Asset Dedication. You can see additional information regarding our arrangement with Asset Dedication in Item 10 of this brochure.

### Stand-Alone Financial Planning Fee

McCarley & Cook charges an hourly fee for its stand-alone financial planning services, ranging from \$200-\$500 per hour, depending upon the complexity of the service being provided. The total fee will be estimated and quoted in advance. The fee is due upon receipt of the Firm's invoice after the conclusion of the services.

### **Fee Billing**

For wealth management services, McCarley & Cook bills its fee quarterly, in advance, from the Client's brokerage account. Clients provide written authorization permitting McCarley & Cook to be paid directly from their accounts held at the custodian as part of their agreement, and separate account forms provided by the Custodian. Clients will be provided with a statement, at least quarterly, from the account's custodian reflecting deductions of the advisory fees.

Financial planning fees are billed upon completion and payable by check to McCarley & Cook.

Per regulatory requirements, McCarley & Cook will not collect advance fees of \$500 or more for services that will be performed six (6) months or more in advance.

### **Other Fees and Expenses**

The Client is responsible for all custodial and securities execution fees charged by the custodian

and executing broker-dealer. The management fee charged by McCarley & Cook is separate and distinct from these custodian and execution fees.

In addition, all fees paid to McCarley & Cook for advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of McCarley & Cook, but would not receive the services provided by McCarley & Cook which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives.

Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by McCarley & Cook to fully understand the total fees to be paid.

### **Termination**

Clients may request to terminate their agreement with McCarley & Cook by providing written notice. The Client shall be responsible for fees up to and including the effective date of termination. The Advisor will promptly refund any unearned, prepaid fees from the effective date of termination.

If the Client has not received McCarley & Cook's Brochure at least 48 hours prior to entering into an advisory agreement, the Client has the right to terminate the agreement without penalty or fee within five business days after entering into the contact.

### **Compensation for Sales of Securities**

McCarley & Cook does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Advisory Fees noted above.

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

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McCarley & Cook does not charge performance-based fees for its investment advisory services.

McCarley & Cook 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 particular investment options to its Clients.

## **Item 7 – Types of Clients**

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McCarley & Cook offers investment advisory services to individuals and families and small businesses.

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

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### **Investment Philosophy**

We believe investment markets are efficient. Our strategies and investment recommendations are designed to produce appropriate potential return for a given level of risk.

### **Investment Strategy**

Liability-Driven Investing (LDI) is an institutional strategy used in managing defined pension plans. An example of a defined benefit pension plan is a plan that provides a specific amount per month to a retired participant for the rest of the participant's life. Defined benefit pension plan managers and individual's desiring financial independence face similar challenges. Namely, both are charged with constructing a timely series of payments derived from a capital sum of money based on previous years of cumulative contributions, investment returns and withdrawals.

For McCarley & Cook, the investment objective of LDI is to produce for clients an income that replaces a lifetime of projected lifestyle gaps. A lifestyle gap is created by the shortfall between contractual income i.e., social security benefits or pension benefits and the amount of money needed to support lifestyle expenditures i.e., shelter, food, and travel. Often lifestyle gaps are lumpy and vary from year to year due to planned and unplanned lifestyle needs.

The modified LDI approach has three components:

- a portfolio dedicated to income (DPI)
- a portfolio dedicated to growth (DPG).
- a Critical Path® matrix (CP)

The Dedicated Portfolio for Income (DPI): The DPI portfolio is a cash-matching portfolio constructed with individual bonds or Certificates of Deposit. It is intended for the bonds and/or C.D.'s to be held to maturity therefore allowing the DPI portfolio to be immunized from the risk of rising interest rates. When a bond position matures, the bond's principal is added to interest derived from the remaining bonds to create a cash sum that very closely matches that year's lifestyle gap. The DPI typically has a horizon of 3 to 8 years. A longer horizon can be implemented depending on the client's estimated longevity and financial personality.

The Dedicated Portfolio for Growth (DPG): The DPG is typically a portfolio of low-cost institutional class mutual funds that are managed to maximize portfolio values during a "bad" stock market. In the context of a financial plan McCarley and Cook believe that markets which produce above average historical returns or even average historical returns work out very well for clients. However, "bad" market returns cause trouble, especially if a bad market is experienced in the early years of the plan. Hence the DPG is managed following by a minimax principle. A minimax principle chooses investment strategies believed to lose the least if a worst-case market scenario does, in fact happen. Typically, this strategy incorporates significant diversification of holdings and favors large cap asset classes. The DPG composition also reflects the investment horizon of the DPI. For example, a 3-year DPI horizon requires a more conservative DPG vs an 8 year DPI investment horizon requires a more aggressive DPG. There is no guarantee that the DPG return will meet the intended goal.



Both the DPI and the DPG will have investment positions that assume certain investment risks that are noted below in the section "Risk of Loss".

The Critical Path® (CP): The DPI Portfolio and the DPG Portfolio are dynamically integrated into a Critical Path® matrix. The CP graphs sequential present values of future liabilities versus the financial plan's anticipated horizon (typically the life expectancy of the clients). McCarley and Cook uses the CP as a benchmark to measure the financial plan's success and to determine best corrective measures intended to keep the CP on course. The CP analysis was developed by the firm Asset Dedication. McCarley and Cook have entered a collaborative arrangement with Asset Dedication, LLC to implement the modified LDI investment strategy.

#### Accumulation Clients

Some clients have lifestyle planning goals that are planned to begin several years in the future. When McCarley & Cook is providing investment management and financial planning advice to these individuals our investment strategy is oriented towards accumulation of capital. Accumulation strategies typically incorporate institutional low-cost index mutual funds but may also include exchange traded funds and legacy individual stock positions. In these instances, McCarley & Cook subscribes to Modern Portfolio Theory (MPT).

#### Modern Portfolio Theory (MPT)

MPT says that through diversification, the process of spreading your money across numerous investments, you can reduce risk. By following MPT, we put together a selection of investments that are designed to provide the greatest return for any given level of investment risk. Over longer time frames, research shows that the potential for higher returns comes from riskier assets, which also entail additional short-term risk (volatility). If you desire the potential for higher long-term returns, then it is likely a recommendation will be made to allocate a higher percentage of your portfolio toward riskier assets.

This strategy is often used for clients that are still in the accumulation phase of their life.

#### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, clients should not assume that future performance of any investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves the risk of loss. Also, depending on the different types of investments, there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Due to the inherent risk of loss associated with investing, McCarley & Cook does not represent, guarantee, or imply that its services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

There are certain additional risks associated when investing in securities that include:

**Market and Liquidity Risks.** When your portfolio needs to be liquidated at a point where equity prices have fallen, or bond interest rates have risen. In addition, stocks, bonds, and ETFs may have a wide (bid-ask) spread between the current price at which the sellers are willing to sell the security and the price at which buyers are willing to buy the security.

**Planning and Liquidity Risk.** When the actual cash flows needed by the client exceeds the cash flows planned in the portfolio. This can lead to unsustainable withdrawal rates and may expose the portfolio to the market risk as described above. McCarley & Cook's investment strategy is designed to mitigate these risks, but they cannot be eliminated completely.

**Fixed Income Risks.** When investing in bonds, there is the risk that the bond issuer will default on the bond and be unable to make payments. Also, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors often receive set, regular payments that face the same inflation risk.

**Interest Rate Risk.** Although the McCarley & Cook (DPI) is designed to hold individual bonds (or equivalents) to maturity, if clients need to sell individual bond holdings before maturity and interest rates have risen, the bonds will likely lose value. This may expose the portfolio to Planning and Liquidity risk as described above and may lead to the actual cash flow needed by the client to exceed the cash flow planned.

**Equity (Stock) Market Risks.** When the stock market as a whole, or industry as a whole, falls, it can cause the prices of individual stocks to fall indiscriminately. Common stocks, and therefore stock mutual funds, are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence changes. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater price volatility than if you held preferred stocks and debt obligations of the issuer.

**Individual Company Risks.** When investing in stock and bond positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

**ETF and Mutual Fund Risks.** Owning Exchanged Traded Funds (ETFs) or mutual funds generally reflects the risks of owning the underlying securities holdings in the ETFs or mutual funds. When investing in ETFs or mutual funds, clients incur expenses based on the pro rata share of the ETFs' or mutual funds' operating expenses and may also incur brokerage costs.

**Management Risk of Investment Advisor.** An investment varies with the success and failure of the Investment Advisor's investment strategies, research, analysis, and determination of portfolio securities. If the investment strategies do not produce the expected returns, the value of the investment will decrease or lag an appropriate investment benchmark.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

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McCarley & Cook is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no information applicable to this Item.

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

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McCarley & Cook, nor any affiliated person is registered as, or has a pending application as, a broker-dealer, futures commission merchant, commodity pool operator, or commodity trading advisor or a representative of any of the foregoing entities.

Asset Dedication, LLC (SEC Registered Investment Adviser / IARD# 151988) and McCarley & Cook have an agreement whereby Asset Dedication provides investment management and certain back-office services to clients of McCarley & Cook. As your investment adviser, we review our recommendations as well as oversee the recommendations made by Asset Dedication to ensure that all recommendations meet our client's needs, goals, and objectives. McCarley & Cook's arrangement with Asset Dedication is that when the amount of assets that McCarley & Cook places with Asset Dedication reaches a certain level, fees charged to McCarley & Cook on every dollar placed with Asset Dedication above that level are reduced. This fee arrangement gives McCarley & Cook an incentive to recommend or require that its clients place their accounts with Asset Dedication. McCarley & Cook will only use Asset Dedication's services when in the best interest of the client.

David McCarley is also a licensed insurance agent. In his capacity as an investment adviser representative, he may recommend a client purchase an insurance product he may receive compensation on as a result of the sale. Should you choose to do so, Mr. McCarley may receive commissions or other compensation on the sale of the insurance product. This compensation is separate and in addition to advisory fees paid to McCarley & Cook. Therefore, a conflict of interest exists when Mr. McCarley makes a recommendation of an insurance product to a client of McCarley & Cook due to the additional compensation he may receive from the purchase of the recommended insurance product. Mr. McCarley will only recommend an insurance product to a client of McCarley & Cook when it is in the client's best interest. Clients are under no obligation to purchase insurance products and services through Mr. McCarley in his capacity as an insurance agent.

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

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### **Code of Ethics**

McCarley & Cook has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with McCarley & Cook LLC (our "Supervised Persons"). The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to our Clients. McCarley & Cook and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of McCarley

& Cook to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at 513-792-9990 or at [chris@McCarleyCook.com](mailto:chris@McCarleyCook.com).

### **Personal Trading with Material Interest**

McCarley & Cook does not purchase or sell the same securities that McCarley & Cook has a material interest in. McCarley & Cook does not act as principal in any transactions. McCarley & Cook will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In addition, McCarley & Cook does not act as the general partner of a fund or advise an investment company. McCarley & Cook does not have a material interest in any securities traded in Client accounts.

### **Personal Trading in Same Securities as Clients**

McCarley & Cook allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by the fact that most trades in a Client's account are mutual funds and ETFs that present little to no likelihood of a material conflict when purchasing the same securities.

## **Item 12 – Brokerage Practices**

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### **Selecting Brokerage Firms**

Clients are free to use any particular service provider to execute their transactions and are responsible for negotiating terms or arrangements for their account. When a client directs the selection of the brokerage firm our firm will not be obligated to conduct due diligence of the client's selected service provider, seek better execution services or prices from any provider, or aggregate client transactions for trade execution. Since your transactions are completed at a service provider of your choice, you may potentially pay more for your transaction or experience wider price spreads.

While Clients are free to select their brokerage, McCarley & Cook recommends brokerage firms and trust companies (qualified custodians) to clients. When recommending a brokerage firm, McCarley & Cook considers not just the lowest cost of their services but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates reputation, execution, pricing, research and service. Even though, the Firm seeks to achieve overall best execution it cannot guarantee that clients will pay the lowest costs at the recommended brokerage firm.

With this in consideration, McCarley & Cook participates in the Schwab Advisor Services program. Schwab offers independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from Schwab through its participation in the program; but does not receive fees or commissions from any

arrangement with Schwab or any other broker-dealer/custodian. McCarley & Cook is not affiliated with Schwab. Schwab does not supervise McCarley & Cook, its agents or activities.

### **Soft Dollars**

McCarley & Cook does not receive soft dollar benefits from service providers. There is no direct link between McCarley & Cook's participation in any custodian's institutional customer program and the investment advice it gives to its clients.

### **Aggregating and Allocating Trades**

The practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading". McCarley & Cook manages Clients' accounts on an individual basis but through its Independent Manager clients' trade may be aggregated in a block trade or trades when securities are purchased or sold through the same Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any Client accounts.

## **Item 13 – Review of Accounts**

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### **Frequency of Reviews**

A Wealth Planning client's account(s) is monitored on a regular basis. Reviews of clients' account are conducted by Christopher Cook and are generally conducted no less than annually. Reviews may be performed more frequently depending upon the needs of the Client.

### **Causes for Reviews**

Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify McCarley & Cook if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **Review Reports**

The Client will receive account statements no less than quarterly from the custodian. These statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Account statements will include all positions, transactions and fees relating to the Client's account[s]. McCarley & Cook may from time to time, provide you with periodic reports from our firm that includes investment performance information. You are urged to carefully review and compare your account statements that you have received directly from your service provider with any report or statement you receive from our firm.

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

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### **Compensation Received by McCarley & Cook**

McCarley & Cook does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. McCarley & Cook may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, McCarley & Cook may receive referrals of new Clients from a third-party, but no compensation is either paid or received for a referral.

### **Client Referrals**

McCarley & Cook does not compensate any parties for Client referrals.

## **Item 15 – Custody**

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McCarley & Cook does not accept or maintain physical custody of any Client accounts; however, the firm is deemed to have constructive custody due to clients' consents to have their accounts directly debited for the payment of fees. All Clients assets are held at an independent qualified custodian. Custodians will send account statements to clients at least quarterly that detail any transaction(s) in such account for the relevant period.

For those client accounts for which McCarley & Cook maintains a standing letter of authorization (SLOA) on file with a qualified custodian to send funds or securities to a third party, McCarley & Cook is deemed to have custody. The Firm follows the safeguards noted in the SEC No-Action Letter and therefore is not subject to a surprise annual audit.

## **Item 16 – Investment Discretion**

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McCarley & Cook has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client; however, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by McCarley & Cook. The granting of such authority will be evidenced by the Client's execution of an investment management services agreement containing all applicable limitations to such authority. All trading in a Client's account will be in accordance with each Client's investment objectives and goals.

## **Item 17 – Voting Client Securities**

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Clients will receive proxy statements directly from the Custodian. McCarley & Cook does not accept proxy-voting responsibility for any Client but will assist in answering questions relating to proxies. However, the Client retains the sole responsibility for proxy decisions and voting. You will receive proxies or other similar solicitations directly from your selected custodian or transfer agent.

Further, McCarley & Cook will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action

securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

## **Item 18 – Financial Information**

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Neither McCarley & Cook, nor its management, have any adverse financial situations that would reasonably impair the ability of McCarley & Cook to meet all obligations to its Clients. Neither McCarley & Cook, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. McCarley & Cook is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1200 or more for services to be performed six months or more in advance.

**Form ADV Part 2B – Brochure Supplement**

**for**

**Christopher Cook, CFP®  
CRD No. 5714816**

**and**

**David McCarley, CFP®, RICP®, ChFC®, CLU, CRPS®  
CRD No. 1570624**

**McCarley & Cook LLC  
dba McCarley & Cook Financial Planners  
6910 Miami Ave.  
Cincinnati, OH 45243  
513-792-9990  
[www.mccarleycook.com](http://www.mccarleycook.com)**

**March 16, 2023**

This brochure supplement provides information about David McCarley and Christopher Cook that supplements the McCarley & Cook LLC d/b/a McCarley & Cook Financial Planners' Brochure. You should have received a copy of that Brochure. Please contact us at 513-792-9990 or at [chris@McCarleyCook.com](mailto:chris@McCarleyCook.com) if you did not receive McCarley & Cook's Brochure or if you have any questions about the contents of this supplement.

Additional information about David McCarley and Christopher Cook is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) using the Mr. McCarley's CRD number 1570624, and Mr. Cook's CRD number 5714816.



## Brochure Supplement (Part 2B of Form ADV)

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**Christopher G. Cook**, CFP®, MANAGING MEMBER, INVESTMENT ADVISER REPRESENTATIVE  
YOB: 1986

### Item 2 – Educational Background and Business Experience

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#### **Education:**

Bachelor of Arts from Xavier University in Cincinnati, 2009

Mr. Cook has earned the designation of Certified Financial Planner, CFP® from the CFP Board. Mr. Cook's designation requires further information:

#### **CERTIFIED FINANCIAL Planner® (CFP®)**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services and attain a bachelor's degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning

- field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Business:**

McCarley & Cook LLC	01/2017 - Present, Advisor
Commonwealth Financial Network	01/17 - 09/2020, Advisor
Horan Securities, Inc.	09/09 - 01/2017, Vice President

### **Item 3 – Disciplinary Information**

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Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair, or unethical practices. Mr. Cook has no legal or disciplinary events to report.

### **Item 4 – Other Business Activities**

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Mr. Cook is not engaged in any other business activities.

### **Item 5 – Additional Compensation**

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Mr. Cook does not receive additional compensation other than his compensation as an investment adviser representative and managing member of McCarley & Cook.

### **Item 6 – Supervision**

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Mr. Cook serves as the Chief Compliance Officer of McCarley & Cook and there is no one in a supervisory capacity over him. McCarley & Cook has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to clients of McCarley & Cook. Further, McCarley & Cook is subject to regulatory oversight by various agencies. If you have any questions, Mr. Cook can be reached at 513-792-9990.

## Brochure Supplement (Part 2B of Form ADV)

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**David McCarley, CFP®, RICP®, ChFC®, CLU, CRPS®, INVESTMENT ADVISER REPRESENTATIVE**  
YOB: 1949

### Item 2 – Educational Background and Business Experience

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#### **Education:**

Bachelor of Arts from Rollins College, 1971

Mr. McCarley's designations require further information:

#### **CERTIFIED FINANCIAL Planner® (CFP®)**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services and attain a bachelor's degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional

Conduct, to maintain competence and keep up with developments in the financial planning field; and

- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**RICP® - Retirement Income Certified Professional®:** To obtain the RICP® designation, Mr. McCarley had to complete 3 proctored exams after completing three on-line self-study courses. It is estimated that on average each of the three self-study programs take 50 hours of study. Further it is estimated that to complete each course it takes 10 weeks of study. The course material included lectures from distinguished educators and professionals. Lecture and reading material included topics like: Election of Social Security Benefits, Election of Medicare Coverage, Special Needs of Retirees and Managing the Decumulation Portfolio and Retirement Income Plan.

**ChFC® - Chartered Financial Consultant®:** To obtain the ChFC® designation, Mr. McCarley had to complete a proctored final exam for each of a series of six core study modules and two elective study modules. Additionally, he or she had to demonstrate three years of full-time business experience within the five years preceding the awarding of the designation. To maintain the designation, Mr. McCarley completes 30 hours of continuing education every two years.

**CLU - Chartered Life Underwriter:** To obtain the CLU designation, Mr. McCarley had to complete a proctored final exam for each of a series of five core study modules and three elective study modules. Additionally, he or she had to demonstrate three years of full-time business experience within the five years preceding the awarding of the designation. To maintain the designation, Mr. McCarley completes 30 hours of continuing education every two years.

**CRPS® - Chartered Retirement Plans Specialist®:** To obtain the CRPS designation, Mr. McCarley had to complete a self-study module, requiring 90–100 hours of study time. Mr. McCarley then had to pass an online, closed-book, proctored examination to complete the course of study. To maintain the designation, your advisor completes 16 hours of continuing education every two years.

### **Business:**

McCarley & Cook LLC 9/2020 - Present, Advisor  
Commonwealth Financial Network 01/2000-09/2020, Advisor  
Berkshire Equity Sales 1995 - 2000, Investment Advisor Representative  
Donahue Securities 1991 - 1995, Registered Representative  
Qualified Retirement Services 1988-1991, President  
SAFECO Life Insurance Company Network 1979-1989, Pension Sales Manager  
Wausau Insurance Company 1976 to 1979, Property & Casualty Company Salesman  
Aetna Variable Annuity Company 1973 - 1976, Registered Representative

### **Item 3 – Disciplinary Information**

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Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair, or unethical practices. Mr. McCarley has no legal or disciplinary events to report.

### **Item 4 – Other Business Activities**

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Mr. McCarley is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. Therefore, he does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service ("trail") fees from the sale of mutual funds.

Mr. McCarley may recommend the purchase of insurance products. In his capacity as a licensed insurance agent, if a client purchases these insurance products, such as an annuity, he may receive a commission from the sale, which may be in addition to his customary advisory fees. This practice gives him an incentive to recommend investment products based on the commission received, rather than on the client's needs. Therefore, a conflict of interest may exist. You should be aware of the incentives he has to sell certain securities products and are encouraged to ask us about any conflict presented.

### **Item 5 – Additional Compensation**

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If you choose to implement recommendations for insurance products through Mr. McCarley in his capacity as a licensed insurance agent, Mr. McCarley may receive commissions or other compensation in addition to the advisory fees paid to McCarley & Cook.

### **Item 6 – Supervision**

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Mr. Cook serves as the Chief Compliance Officer of McCarley & Cook and supervises Mr. McCarley. McCarley & Cook Financial Planners has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to clients of McCarley & Cook. Further, McCarley & Cook is subject to regulatory oversight by various agencies. If you have any questions, Mr. Cook can be reached at 513-792-9990.