



***Cravens & Company Advisors, LLC  
DBA Cravens & Company Wealth  
Management***

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***Disclosure Brochure***

***March 30, 2021***

This brochure provides information about the qualifications and business practices of Cravens & Company Wealth Management. If you have any questions about the contents of this brochure, please contact us at 931.528.6865. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Cravens & Company Wealth Management is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Cravens & Company Wealth Management also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)



## **Material Changes**

On August 12, 2010, the SEC published “Amendments to Form ADV” which requires registered investment advisers like Cravens & Company Wealth Management (“CCA, we, us, our, ours”) to provide clients and prospective clients (“you, your, yours”) with a brochure and brochure supplements written in plain English. This brochure is prepared according to the SEC’s new requirements and rules.

In the past, we have offered or delivered information about our qualifications and business practices to clients on an annual basis. Going forward, we will ensure that you receive a summary of any material changes to our brochures by April 29th of each year. We may also provide updated disclosure information about material changes on a more frequent basis. There are no material changes applied since CCA’s last annual update on March 17, 2020.

Our brochure may be requested by contacting Wayne Cravens, Chief Compliance Officer, by phone at 931.528.6865 or by e-mail at [wcravens@cravensco.com](mailto:wcravens@cravensco.com).

Our brochure is also available on our website [www.cravensco.com](http://www.cravensco.com). We will provide you with a current brochure at any time without charge.

Additional information about us and about persons affiliated with us who are registered as our investment adviser representatives (“your advisory representative”) is also available via the SEC’s website, at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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CRD Number 130071

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

Cravens & Company Advisors, LLC (“CCA”), which is located in Cookeville, Tennessee and does business under the name of Cravens & Company Wealth Management, is a limited liability company organized under the laws of the State of Tennessee. Wayne Cravens founded CCA in 2003. CCA is an SEC registered investment advisory firm.

We principally provide investment advisory, private client services, and family office services to high-net-worth families and the businesses they own, executives, health-care and legal professionals, and successful retirees. We also provide a variety of consulting services to the sponsors of retirement plans. Our services are provided on a fee-only basis, as described in detail below.

We believe that successful wealth management is rarely accomplished by developing a financial plan alone. Rather, it is accomplished through the collaborative development, execution, and monitoring of a holistic, often multi-generational plan and framework. Our experience in working with complicated family financial scenarios led us to develop our *Private Client and Family Office* programs. Each combines comprehensive financial, tax, and estate planning with customized, discretionary investment management. Our approach to the two programs is identical, though each is tailored to a specific type of

client. If requested, we can provide some of these services independently.

##### *Investment Advisory Service*

We manage the investment of specific assets that you identify and specifically direct us to manage. In doing so, we first gain an understanding of your goals, investment experience, timeframe, and risk tolerance. Next, we develop investment recommendations consistent with your goals and constraints. Specific investments are selected in accordance with your attitudes about risk and your investment objectives. We incorporate the tax considerations of all transactions we recommend.

Once implemented, we monitor the performance and progress of your investment assets and recommend changes we believe are prudent and consistent with a fiduciary standard.

As of December 2020, we managed. \$141,254,770 in client assets on a discretionary basis (where we made all of the investment decisions) and \$14,998,990 in client assets were managed on a non-discretionary basis (where our clients made the investment decisions based upon our recommendations).

##### *Private Client Service*

Our *Private Client Service offering* couples financial, tax, and estate planning with fiduciary investment advice. It is a

perfect fit for executives, professionals, and successful retirees who need a comprehensive, turnkey relationship to oversee all their financial issues.

We utilize a proactive approach to identify and mitigate risks while positioning you for opportunities and delivering solutions tailored for you.

Through a thorough discovery process, we will clarify your present circumstances by collecting and assessing all relevant personal and financial data. Using the information gathered and through an analysis of the documents and information you provide, we identify your financial goals, challenges, concerns, planning assumptions, and create a strategic plan. This includes a review of your current investment choices as well as new investment opportunities or other asset management solutions.

Based on the results of this process, we can provide customized and specific recommendations regarding a variety of areas including, but not limited to, asset protection, estate planning, business management, income tax planning, and risk management.

Working with both in-house advisors as well as our partner professionals and your own tax and legal advisors, we create a team environment that has the best opportunity for creative, yet refined solutions for your unique situation.

We use the information gathered during the financial planning process to identify

your financial goals, challenges, concerns, and planning assumptions to create a strategic plan.

While we will discuss and help you evaluate your situation, your comprehensive financial plan does not include the preparation of any kind of income tax, gift or estate tax returns, or preparation of any legal documents, including wills or trusts. Implementation of the plans we create for you is always at your discretion.

As with our Investment Advisory Service, your plan will detail asset allocation strategies using your current investments as well as new investment opportunities. Recommendations within the plan will address specific investment recommendations and are customized to your personal circumstances.

Our ongoing monitoring and oversight of your plan and investments include all assets under our management, private assets such as closely held business interests and real estate, as well as assets held with other advisers, in self-directed accounts, or employer retirement plans. We provide you with regular financial reports that include all of your investment assets and the performance of those assets under our management. We will meet regularly with you to review and update your information, suggest changes as circumstances indicate, and discuss new concerns and/or opportunities.

Our Private Client Service provides you with access to our *Comprehensive Wealth/Investment System (CWIS)*, a proprietary, web-based planning and aggregation tool which allows you constant access to all your financial information, plans, and documents.

The system updates all publicly traded investments daily. For non-traded investments, we update valuations as needed and use the combined balance sheet to monitor progress toward your goals. CWIS is highly encrypted so the “vault” feature is a perfect place to store copies of wills, trusts, leases, etc. for around the clock, secure access anywhere in the world.

In addition, you will also be provided with regular financial reports that include all of your investment assets and the performance of those assets.

#### *Family Office Service*

Our Family Office Service incorporates all the features of our Private Client Service and adds bookkeeping, concierge services, and family communication and consulting. We focus on helping families maintain fiscal wealth and ***Family Wealth*** (their common relationships, values, and history) over multiple generations. In addition to engaging in proactive trust and estate planning to preserve assets, we focus on helping families utilize their wealth as a positive tool for the good of the family as well as their communities and the charities they

may choose to support.

Whether it is organizing family meetings, purchasing an airplane, or creating a lasting endowment for a university or other charity, what’s important to you is what’s important to us.

#### *Qualified Plan Fiduciary Service*

We provide a variety of services to the sponsors of employee retirement and benefit plans (the “Plan”). These services are designed to assist the sponsor in meeting its management and fiduciary obligations to the Plan as required under the Employee Retirement Income Securities Act (“ERISA”). Our *Qualified Plan Fiduciary Service (“QPFS”)* may consist of general or specific advice and may include any one or all of the following services:

- Strategic Planning and Investment Policy Development/Review
- Plan Review
- Plan Fee and Cost Review
- Third-Party Service Provider Liaison.
- Assessment of Investments
- Participant Education and Communication.

The sponsor may also engage us to provide the following additional services, for separate compensation:

- Executive Benefits
- Plan Conversion
- Merger and Acquisition Assistance

- Compliance Correction
- Coordination with Other Advisers.

We work with you to determine in advance the method of engaging in *QPPS*, the scope of services to be performed, and the fees for all requested services.

We do not provide legal, tax, or actuarial advice, and we will not be responsible for ensuring that the Plan’s IPS and asset allocation choices comply with any legal, actuarial, or other requirements that apply to the Plan.

*Fixed Income Management*

You may appoint us to manage a fixed income portfolio on a discretionary or non-discretionary basis. We manage your portfolio subject to your objectives and restrictions. In addition to fixed income securities, we will recommend various cash and cash equivalents (i.e., bank deposits, certificates of deposit, banker’s acceptances, and similar bank instruments) that may be held at one or more qualified custodians.

*Business Consulting Service*

We also provide business consulting on a case-by-case basis. Most often, the core of this service is to assist the client in the monetization or succession of their business. We may also provide many other services on a consulting basis. It is our practice to coordinate with our

client’s legal counsel and tax professionals to review strategies on behalf of the client. We charge negotiated project-based fees for these services.

**Item 5: Fees and Compensation**

*Fees for Investment Advisory Service*

We offer our investment advisory services on a fee-only basis. Our fee is calculated based upon the market value of the assets in your account on the last day of the previous quarter.

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians (hereinafter referred to as “custodian”). Your custodian determines the values of the assets in your account.

Fees for the initial quarter are based on the value of your cash and securities on the date the custodian receives them and are prorated based upon the number of calendar days in the calendar quarter since you contracted to engage our services. Our fees schedules are as follows:

<u>Assets Under Management</u>	<u>Advisory Fee</u>
First \$1,000,000	1.25%
Next \$2,000,000	1.00%
Next \$2,000,000	0.75%
All amounts over \$5,000,000	0.55%

Overall portfolio expenses may be lower through a combination of ETFs, list funds, and individual securities.

We generally require that your account contain a minimum of \$500,000 in investment assets. We may waive that requirement based on various factors, including, for example, the value of the accounts we manage for your family members.

Our minimum annual fee is \$5,000. We may agree to waive that minimum and/or negotiate lower fees at our discretion.

You may choose to have us send you an invoice for our fees so that you can remit payment to us or you may authorize us to withdraw our fees directly from your investment account. You must authorize us in writing to have the custodian that holds your account pay our fees to us directly by charging your account.

One-fourth of the annual fee is charged each calendar quarter.

#### **Quarterly Fee Calculation**

$$\text{Assets under Management} \times \text{Annual Fee} \div 4 \\ = \text{Quarterly Fee}$$

Your custodian will provide you with statements that show the amount of the fees paid directly to us. You should review the custodian's statements and verify the calculation of our fees. The

custodian does not verify the accuracy of fee calculations.

We send you quarterly statements that include the value of your investments and our advisory fees, including how they were calculated. Your custodian also provides you with statements that show the amount paid directly to us. You should compare the statements we send you to the statements you receive from your custodian to verify the calculation of our fees. Your custodian does not verify the accuracy of fee calculations.

Generally, you must pay our advisory fees in advance of receiving our services. Should you terminate the advisory agreement we have entered into within five (5) business days from the date the agreement is executed, you will receive a full refund of any fees paid.

Should either one of us terminate the advisory agreement we have entered into before the end of a billing period, any unearned fees that were deducted from your account will be returned to you by us. The amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total number of days in the quarter. This daily fee is then multiplied by the number of calendar days in the quarter that our agreement was in effect. This amount, which equals the amount we earned for the partial quarter, is subtracted from the total fee you paid in advance to determine your refund.

### *Fees for Private Client Service*

The fees we charge you for our *Private Client Service* will be quoted to you after a preliminary assessment of your current financial condition and investment needs have been completed. The amount of those fees varies and, in many cases, may be higher in the early stages of our relationship because we spend more time during the initial stages of our relationship structuring your financial, tax, estate plan, and our fiduciary investment advics. On an annual basis, we review and, where appropriate, reset the fees we charge.

The *Private Client Service* fee is comprised of two parts – a fixed fee to cover financial planning services and a variable fee to cover investment advisory services. The fixed fee begins at \$10,000 and is determined by a number of factors including the number of different types of assets subject to review, the number of different accounts, investment objectives (for example, value accumulation vs. income distribution), and the types and amounts of marketable and non-marketable assets that you hold.

The variable fee is based upon a percentage of assets actually under our management and pursuant to the particular investment management strategy to be implemented.

We may agree to negotiate fees at our discretion.

Variable fees are calculated and charged in the same manner as described under the section titled “*Fees for Investment Advisory Services*” above.

### *Fees for Family Office Service*

The fees we charge you for our *Family Office Service* will be quoted to you after a preliminary assessment of your current financial condition and investment needs have been completed. The amount of those fees varies and, in many cases, may be higher in the early stages of our relationship because we spend more time during the initial stages of our relationship structuring your financial plan and our investment recommendations. On an annual basis, we review and, where appropriate, reset the fees we charge.

The *Family Office Service* fee is comprised of two parts – a fixed fee to cover financial planning services and a variable fee to cover investment advisory services. The fixed fee begins at \$20,000 and is determined by a number of factors including the number of different types of assets subject to review, the number of different accounts, investment objectives (for example, value accumulation vs. income distribution), and the types and amounts of marketable and non-marketable assets that you hold.

The variable fee is based upon a percentage of assets actually under our management and pursuant to the particular investment management

strategy to be implemented.

We may agree to negotiate fees at our discretion.

Variable fees are calculated and charged in the same manner as described under the section titled “*Fees for Investment Advisory Services*” above.

#### *Fees for Qualified Plan Fiduciary Service*

Fees for the *QPFS* may be charged either as a fixed fee, at a pre-determined hourly rate, or based upon a percentage of the Plan assets. The exact fee will be negotiated in advance of services rendered. We may require the payment of an initial retainer prior to services being rendered. Thereafter, fees will be billed quarterly in advance, as selected by the Plan sponsor. In special circumstances, other fee-paying arrangements may be negotiated.

All fees shall be paid by the Company or the Plan within 30 days of delivery of invoice. Bills that are not paid within 30-days may be subject to a 1% penalty.

The fee schedules for *QPFS* are as follows:

**Fixed Fee:** \$5,000 to \$10,000, based on the scope and complexity of the services provided

**Hourly Fee:** \$50 to \$300 per hour based on an estimate of hours needed to provide the services to be performed.

**Basis Points:** Our fee may be based on the amount of assets in the Plan as of a specified date or dates. The fee will be charged in “basis points” (one basis point equals .01%; 100 basis points equals 1%), as follows:

<b>Plan Assets</b>	<b>Fee (Basis Points)</b>
\$0 to \$20 million	10-100 bp
\$20 million to \$40 million	5-50 bp
\$40 million and above	3-25 bp

#### *Fees for Fixed Income Management*

Fixed Income Management fees will be set at the beginning of the engagement and will be determined by the value of the assets in the portfolio being managed and the complexities (i.e. total fixed income accounts held with all custodians, number of fixed income instruments being managed, etc.) of the portfolio management at the time of the agreement. These fees are subject to change as your portfolio will be evaluated annually to review the appropriateness of the fees in light of any changes in the assets being managed. It is possible that you may enter into multiple fee arrangements, if necessary, as new portfolios become available for management prior to the annual evaluation and determination of fees on existing agreements.

You will be billed at the beginning of the

engagement and then annually thereafter until the fee agreement(s) are terminated. The typical Fixed Income fee begins at 0.20%. We may negotiate these fees at our discretion.

### *Fees for Business Consulting Service*

At your discretion and based on the nature and scope of the planning work to be performed, you may pay for the planning services that we provide in one of two ways:

**Project Fees.** Fees are fixed at the beginning of our engagement and are based on an estimate of the time required to complete your financial plan. The project fee is based on the scope, complexity, and anticipated time involved in the project and generally ranges from \$ 2,500 to \$10,000. The amount of the fee may be negotiated.

One-half of the fee is required up-front with the remaining half due at completion. The initial deposit compensates us for administrative time spent in the initial phase of the planning activity.

**Hourly Fees.** Hourly fees are generally recommended for shorter term consulting requests and for limited financial planning and analysis. Our current hourly rates are:

Senior Advisors - \$200+/hour  
Lead Advisors- \$100-\$200

Professional and Administrative Staff - \$50-\$100/hour

Hourly clients are billed for time incurred at the completion of each key planning task. While hourly rates are not negotiable, we may agree to limit the number of hours dedicated to a particular task at your request.

Depending on the scope of the assignment and the complexity of the planning to be performed, the analysis, development of the recommendations, plan write-up, and plan presentation can take from approximately 60 days to nearly one year. For most clients, the initial planning is generally accomplished within three to six months from the date you provide all requested information. You may terminate the agreement in writing during the planning process. You will be billed at an hourly rate of \$200/hour for services rendered up to that point.

### *Other Fees and Charges*

In addition to our fees, you may be required to pay other charges such as:

- custodial fees,
- brokerage commissions,
- transaction fees,
- internal fees and expenses charged by mutual funds or ETFs, and
- other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectus for each investment. You are strongly encouraged to read these explanations before making or authorizing any investments. We are available to answer any questions you have about fees and expenses.

If you purchase mutual funds through the custodian, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at custodian may pay internal fees that are different from mutual funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from a mutual fund company without a transaction fee, those investments will not be part of our advisory relationship with you. This means that they will not be included in our investment strategies or portfolio reallocations.

Please be sure to read the section entitled “Brokerage Practices,” which follows later in this brochure.

Your advisory representative is also a registered representative of FSC. Because he/she is also a registered representative of a broker-dealer, he/she

may receive compensation (such as 12b-1 fees) from the sale of mutual fund products to you. Payment of these fees is included in the expense ratios of the mutual funds. This presents a conflict of interest because it creates an incentive to recommend certain funds or fund families with 12b-1 fees or funds with higher 12b-1 fees over other funds or fund families with no or lower 12b-1 fees.

We recommend no-load and load-waived mutual funds to further reduce conflicts of interest. However, you have the option to purchase investment products through other brokers or agents who are not affiliated with us.

### ***Item 6: Performance-Based Fees***

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments.

**We do not charge performance-based fees on any of our client accounts.**

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

We provide advisory services primarily to individuals, including their trusts, estates, and retirement accounts. We also provide services to corporations or business entities including their pension and profit-sharing plans.

As noted above, we generally require that you have an investment portfolio worth

at least \$500,000 if you wish to engage us to provide investment advisory services. We, at our sole discretion, may accept clients with smaller investment portfolios based upon various factors, including anticipated future earning capacity, anticipated future additional assets, account composition, related accounts, and pre-existing relationships with family members, co-workers, etc. We may consider the investment portfolios of your family members to determine if your portfolio meets the minimum size requirement.

You will generally be subject to a \$5,000 per year minimum annual fee, although we may negotiate at our sole discretion.

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

We select specific investments for your portfolios through the use of charting, fundamental and technical analysis. Charting involves identifying patterns in the movements of prices of particular investments that can suggest potential future price movements. Chartists use these patterns to identify current trends and trend reversals to trigger buy and sell signals.

Fundamental analysis is a method of evaluating a company that has issued securities by attempting to measure the value of its underlying assets. This entails studying overall economic and industry conditions as well as the financial condition and the quality of the

company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the company's securities to determine whether to purchase, sell or hold those securities.

Technical analysis is a method of evaluating securities by analyzing statistics associated with market activity, such as past prices and trading volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead, use charts and other tools to identify patterns that can suggest future performance.

Our investment strategies may include long-term and short-term purchases and sales, and the use of options, margin, and short sales. You may place reasonable restrictions on the strategies to be employed in your account as well as the types of investments to be held in your account.

Although we manage your account in a manner consistent with your specific risk tolerances, there can be no guarantee that our efforts will be successful. General economic conditions, current interest rates, the performance of a particular industry or a particular company, and any number of other factors can affect investment performance.

You should be prepared to bear the risk of loss and remember that all investments bear the risk of loss,

including (among other things) loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and the loss of future earnings.

### **Item 9: Disciplinary Information**

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

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

Your advisory representative is a registered representative of FSC. In this capacity, your advisory representative may purchase and/or sell investment products for you, whether or not you have an advisory relationship with us. Any transactions effected through your advisory representative in conjunction with his/her association with FSC may result in the payment of commissions or other similar compensation to your advisory representative. You are under no obligation to purchase investment products through your advisory representative in conjunction with his/her association with FSC.

Because of the relationship noted above, your advisory rep may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending

the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented. You are under no obligation to use the advisory services available through your advisory representative in conjunction with his/her association with FSC. FSC is owned by The Advisor Group.

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

We have adopted a *Code of Ethics* (“Code”) to address the securities-related conduct of our advisory representatives and employees. The *Code* includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of your advisory representative (and our other investment advisory representatives and employees) be conducted in a manner consistent with the *Code* and

avoid any actual or potential conflict of interest, or any abuse of your advisory representative's position of trust and responsibility;

- that your advisory representative may not take inappropriate advantage of his/her position;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the *Code* to you or any prospective client upon request.

Your advisory representative is permitted to buy or sell the same securities for his/her personal and family accounts that are bought or sold for your account. This may raise potential conflicts of interest when your advisory representative purchases or sells a security that is:

- owned by you, or
- is being considered for purchase or sale for your account.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require your advisory representative to act in your best interest,
- prohibit favoring one client over

another, and

- provide for the review of transactions to discover and correct any same-day trades that result in your advisory representative (or any of our other advisory representatives or employees) receiving a better price than a client.
- Your advisory representative must follow our procedures when purchasing or selling the same securities purchased or sold for your account.

### **Item 12: Brokerage Practices**

We generally recommend that the broker-dealer/custodian for your account be Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"). Schwab will assist us in servicing your account. We are independently owned and operated and not affiliated with Schwab. Our use of Schwab is, however, a beneficial business arrangement for us and Schwab. Information regarding the benefits of this relationship is described below.

In recommending Schwab as your custodian/broker-dealer, we consider, at a minimum, their:

- existing relationship with us,
- financial strength,
- reputation,
- reporting capabilities,
- execution capabilities,
- pricing, and
- types and quality of research.

Schwab provides us with access to its institutional trading and custody services, which includes:

- brokerage,
- custody,
- research, and
- access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

We are not required to effect a minimum volume of transactions or maintain a minimum dollar amount of client assets to receive these services.

Schwab does not charge separately for holding and servicing your account but may be compensated by you through other transaction-related fees associated with the securities transactions they execute for your account.

Schwab makes available to us other products and services that benefit us but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that:

- provide access to account data such as:
  - duplicate trade confirmations,
  - bundled duplicate account statements, and

- access to an electronic communication network for client order entry and account information;

- facilitate trade execution, including:
  - access to a trading desk serving advisory participants exclusively and
  - access to block trading which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account;
- provide research, pricing information, and other market data;
- facilitate payment of our fees from client accounts; and
- assist with back-office functions, record keeping, and client reporting; and
- receipt of compliance publications.

Schwab also makes available to us other services intended to help us manage and further develop our business. These services may include:

- consulting,
- publications and conferences on practice management,
- information technology,
- business succession,
- regulatory compliance, and marketing.

Schwab may discount or waive the fees it would otherwise charge for some or all of these services. They may also arrange for certain of these services to be provided to us by independent third-

parties. In that regard, Schwab may pay all or a part of the fees of the third-party providing those services to us. Thus, we receive economic benefits as a result of our relationships with Schwab because we do not have to produce or purchase the products and services listed above.

Because the amount of compensation and the products or services we receive may vary depending on the custodian/broker-dealer we recommend to our clients, we may have a conflict of interest in making that recommendation. Our recommendation of Schwab may be based in part on the economic benefit to us and not solely on the nature, cost, or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to always act in your best interests.

Commissions and other fees for transactions executed through Schwab may be higher than commissions and other fees available if you use another custodian/broker-dealer to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to you and our other clients by Schwab outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our clients, including clients whose accounts are not maintained

through Schwab. We do not attempt to allocate these benefits to specific clients.

You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or adequately evaluate the quality of the execution of transactions effected through that broker-dealer. In addition, under these circumstances, a difference may exist between the commissions charged to you and other clients who do not direct us to use a particular broker-dealer.

We may execute certain transactions for your account using “bunched trades” (the purchase or sale of a security for the accounts of multiple clients in a single transaction). If a bunched trade is executed, you and each other participating client will receive a price that represents the average of the prices at which all transactions in a given bunch were executed. Executing a bunched trade allows transaction costs to be shared equally and on a pro-rata basis among all the participating clients. If the order is not filled, the securities purchased or sold are distributed among you and other participating clients on a pro-rata basis or in some other equitable manner.

Bunched trades are placed only when we reasonably believe that the combination

of the transactions provides better prices for you and other clients than had individual transactions been placed for your accounts. If your account is managed on a non-discretionary basis, transactions for your account will not be bunched with transactions for client accounts managed on a discretionary basis.

Transactions for the account of your advisory representative (as well as the accounts of our other investment advisory representatives and employees) may be included in bunched trades. They will receive the same average price and pay the same commissions and other transaction costs, as you will. Transactions for the accounts of your advisory representative (as well as our other advisory representatives and employees) will not be favored over transactions for your account.

We are not obligated to include your account or the accounts of any other client account in a bunched trade. Bunched trades will not be affected for any client's account if doing so is prohibited or otherwise inconsistent with that client's investment advisory agreement. No client will be favored over any other client.

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

Periodically, no less than annually, your advisory representative will conduct a review of your account. Some review sessions may also be conducted by a committee including other advisory

representatives and support advisory representatives. A quarterly account activity review is also conducted by Sandra Wilson, Director of Operations and Client Services working directly under the CCO.

Our reviews of your account include the review of various reports offered through the *Comprehensive Wealth Management* system.

Your account will also be reviewed upon a variety of specific triggering events such as:

- Receipt of new money to be invested,
- The request to liquidate and disburse a significant portion of the account,
- A significant change in your financial circumstances, and
- A significant change in the status of the financial markets.

Reviews also consider investment restrictions that you request, your investment time horizons, your liquidity needs, tax considerations, and other circumstances unique to you.

You will receive statements from Schwab at least quarterly. These statements identify your current investment holdings, the cost of each of those investments, and their current market values. If you choose to be a Family Office client, you will also be provided with regular financial reports that include

all your investment assets and the performance of those assets.

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

We do not directly or indirectly compensate any person for client referrals who is not one of our advisory representatives or employees.

We receive certain economic benefits because of our participation in the institutional programs of Schwab. Those benefits are described in detail in the preceding section entitled “Brokerage Practices.”

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

You will receive statements from your broker-dealer/custodian regarding your account on at least a quarterly basis. We urge you to carefully review these statements. You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account. We also encourage you to contact Wayne Cravens, our Chief Compliance Officer, should you have any questions or concerns regarding your account.

Custody is also disclosed in Form ADV because the firm has the authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, the firm will follow the safeguards specified by the SEC rather than undergo an annual audit.

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

As previously noted, we offer certain advisory services on a discretionary basis, meaning that we do not need advance approval from you to determine the type and number of securities to be bought and sold for your account. We may only exercise discretion if you have provided that authority to us in writing. This authorization is typically included in the investment advisory agreement you enter into with us.

The discretionary authority you grant to us does not provide us the ability to choose the broker-dealer through which transactions will be executed.

Additionally, our discretionary authority does not provide us the ability to withdraw funds from your account (other than to withdraw our advisory fees which, may only be done with your prior written authorization). We will exercise discretion in a manner consistent with the stated investment objectives for your account.

We also offer our advisory services on a non-discretionary basis, meaning that we need advance approval from you to determine the type and number of securities to be bought and sold for your accounts.

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

We do not take any action or give any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

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

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you. We have not been the subject of a bankruptcy proceeding.

CCA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore does not need to include a balance sheet with this brochure.