

Item 1: Cover Page for Part 2A of Form  
ADV: Firm Brochure  
March 13, 2025



# CENTRICITY

WEALTH MANAGEMENT

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**Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Centricity Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at 614-392-5155 or email [christopher\\_ciehanski@centricitywealth.com](mailto:christopher_ciehanski@centricitywealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about Centricity Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of Centricity Wealth Management, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

## Item 2: Material Changes

Centricity Wealth Management, LLC (CWM) is required to make clients aware of information that has materially changed since the last annual update to the Firm Brochure ("Brochure"). In lieu of sending a full copy of our Brochure to our clients; we will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may also provide other ongoing disclosure information about material changes as necessary.

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## Item 4: Advisory Business

We specialize in the following types of services: Comprehensive Portfolio Management and Financial Planning & Consulting.

A. Description of our advisory firm, including how long we have been in business and our principal owner(s).

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of Ohio. Our firm has been in business as an investment adviser since 2012 and is owned by Christopher Ciehanski and Wendy Ciehanski.

B. Description of the Types of Advisory Services We Offer.

(i) Comprehensive Portfolio Management:

CWM provides discretionary and non-discretionary investment advisory services on a *fee only* basis as discussed at Item 5 below. Our Comprehensive Portfolio Management service encompasses asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person, if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Before engaging CWM to provide investment advisory services, clients are generally required to enter into a *Comprehensive Portfolio Management Agreement* with CWM setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of ETFs, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

(ii) Financial Planning & Consulting:

We provide a variety of financial planning and consulting services to individuals, families, and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation

Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

CWM believes that it is important for the client to address financial planning issues on an ongoing basis. CWM's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with CWM. Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. Implementation of the recommendations will be at the discretion of the client.

**Note:** Neither CWM, nor any of its employees (including Christopher Ciehanski, who is a licensed CPA), serves as an attorney, accountant, or insurance agent for any CWM client, and no portion of CWM's services should be construed as same. Accordingly, CWM does not prepare legal documents, prepare tax returns, or sell insurance products, where we earn commissions, for or to CWM clients. To the extent requested by a client, we may recommend the services of other professionals for noninvestment implementation purpose (i.e., attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from CWM and/or its representatives. At all times, the engaged unaffiliated professional(s) (i.e., attorney, accountant, insurance agent, etc.) and not CWM, shall be responsible for the quality and competency of the services provided.

### **Miscellaneous**

**Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If we recommend that a client roll over their retirement plan assets into an account to be managed by us, such a recommendation creates a conflict of interest if we will earn new (or increase its current) compensation as a result of the rollover. If we provide a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), we are acting as a fiduciary 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. **No client is under any obligation to roll over retirement plan assets to an account managed by us, whether it is from an employer's plan or an existing IRA. Our Chief Compliance Officer, Christopher Ciehanski remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Structured Notes.** We may purchase structured notes for client accounts. A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counterparty risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns, and be tailored to a specific market or economic view. In addition, investors may receive long-term capital gains tax treatment if certain underlying conditions are met, and the note is held for more than one year. Finally, structured notes may also have liquidity constraints, such that the sale thereof before maturity may be limited. Additional risks are discussed in Section 8. In the event that the client seeks to prohibit or limit the purchase of structured notes for the client's account, the client can do so, in writing, addressed to our Chief Compliance Officer. Any questions regarding structured notes, CWM's Chief Compliance Officer, Christopher Ciehanski, remains available to address them.

**Borrowing Against Assets/Risks.** A client who has a need to borrow money could determine to do so by using:

- **Margin**-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money and uses the assets in the client's brokerage account as collateral.

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e., custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, CWM does not recommend such borrowing unless it is for specific short-term purposes (i.e., a bridge loan to purchase a new residence). CWM does not recommend such borrowing for investment purposes (i.e., to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to CWM:

- by taking the loan rather than liquidating assets in the client's account, we continue to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by CWM, CWM will receive an advisory fee on the invested amount; and,
- if CWM's advisory fee is based upon the higher margined account value, CWM will earn a correspondingly higher advisory fee. This could provide CWM with a disincentive to encourage the client to discontinue the use of margin.

**Note:** The Client must accept the above risks and potential corresponding consequences associated with the use of margin.

**Non-Discretionary Service Limitations.** Clients that determine to engage CWM on a non-discretionary investment advisory basis must be willing to accept that CWM cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that we would like to make a transaction for a client's account, and client is unavailable, we will be unable to effect the account transaction (as it would for its discretionary clients) without first obtaining the client's consent.

**Cash Positions.** We continue to treat cash as an asset class in retirement accounts. As such, unless determined to the contrary by CWM, all cash positions (money markets, etc.) in retirement accounts shall continue to be included as part of assets under management for purposes of calculating our advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), we may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, our advisory fee could exceed the interest paid by the client's money market fund.

**Cybersecurity Risk.** The information technology systems and networks that CWM and its third-party service providers use to provide services to CWM's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in CWM's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and CWM are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although CWM has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that we do not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

**Client Obligations.** In performing our services, we will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to promptly notify CWM if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

**Investment Risk.** Different types of investments involve varying degrees of risk which are further discussed in Section 8, and it should not be assumed that future

performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by CWM) will be profitable or equal any specific performance level(s).

**Disclosure Brochure.** A copy of our written Brochure as set forth on Part 2A of Form ADV and Form CRS (Client Relationship Summary) shall be provided to each client prior to, or contemporaneously with, the execution of an agreement between the client and CWM.

- C. Explanation of whether (and, if so, how) we tailor our advisory services to the individual needs of clients, whether clients may impose restrictions on investing in certain securities or types of securities.

We offer individualized investment advice to Asset Management and Comprehensive Portfolio Management clients and Financial Planning & Consulting.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Asset Management and Comprehensive Portfolio Management services.

- D. Participation in Wrap Fee Programs.

We do not offer or participate in wrap fee programs.

- E. Disclosure of the amount of client assets we manage on a discretionary basis and the amount of client assets we manage on a non-discretionary basis as of December 2023.

As of December 31, 2024, our firm has \$185,942,571 in assets under management. Of which, \$185,721,216 is managed on a discretionary basis and \$221,355 on a non-discretionary basis.

## Item 5: Fees & Compensation

- A. Description of How We Are Compensated for Our Advisory Services Provided to You.

- (i) Comprehensive Portfolio Management:

We negotiate a fee based on a percentage of assets under management or an annual flat fee. Although our fees may be negotiated under certain circumstances, our standard fee schedule is as follows:

<b>Market Value of Billable Assets</b>	<b>Annual Fee</b>
\$0 - \$1,000,000.00	0.90%
\$1,000,001 - \$5,000,000	0.75%
Over \$5,000,000	0.50%

Fees to be assessed will be outlined in the Comprehensive Portfolio Management agreement to be signed by the client. We calculate and bill our fee quarterly, in



advance, at the beginning of each calendar quarter. We aggregate the value of a client's account(s), including accrued interest, (the "Billable Value") as of the last day of the prior calendar quarter. Cash and money market mutual funds in taxable accounts, defined as those account for which a taxpayer is required to pay annual tax on the income, dividends and capital gains generated are excluded for purposes of determining the aggregated Billable Value of the client's account. Therefore, any client with retirement and non-retirement accounts under our management, we consider the fee structure as "blended."

The billing system we employ determines the asset-based fee for any quarter by multiplying (a) the applicable annual fee percentage(s) from the client's fee schedule by (b) the prior calendar quarter-end Billable Value, as reflected in our reporting system; and then dividing the result by four. Please note that the values utilized to calculate fees may differ from those reported by the account custodian as further described in "ITEM 15: CUSTODY." The charges for the calendar quarter in which the Comprehensive Portfolio Management agreement becomes effective will be pro-rated for the number of days which the agreement is in effect. If a new client account is established during the quarter, our fee will be pro-rated based on the number of days that the account was open during the quarter.

If a market valuation for an asset in the client's account is not available, we will value that asset at other such reasonable value or cost as we may determine. Billing for alternative investments such as private equity investments, private real estate, structured products, and other illiquid investments are billed on the capital call amount or based on the most recent valuation provided by the entity. These are generally from the prior month or quarter.

(ii) Financial Planning & Consulting:

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$400 for financial advisors, \$200 per hour for para-planners and \$100 for administrative time. Flat fees generally range from \$1,000 to \$10,000.

B. Description of whether we deduct fees from client's assets or bill clients for fees incurred.

(i) Comprehensive Portfolio Management:

Fees will be deducted from your managed account. In extremely rare cases, we will agree to direct bill clients. As part of this process, clients should understand:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the account and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send a request for payment directly to the custodian; and

- c) If our firm sends a copy of our statement to the client, legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

(ii) Financial Planning & Consulting:

Fees for this service are due upon delivery of the financial plan or in the case of hourly clients when total time has been accrued. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

**Note:** We shall generally price advisory services based upon various objective and subjective factors. As a result, our clients could pay diverse fees based upon the type, amount and market value of their assets, the anticipated complexity of the engagement, the anticipated level and scope of the overall investment advisory and consulting services to be rendered. Additional factors effecting pricing can include related accounts, employee accounts, competition, and negotiations. As a result of these objective and subjective factors, similarly, situated clients could pay diverse fees, and the services to be provided by CWM to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. Our Chief Compliance Officer, Christopher Ciehanski, remains available to address any questions regarding advisory fees.

C. Description of any other types of fees or expenses clients may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Clients will incur transaction charges for trades executed in their accounts, via individual transaction charges. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses). Clients invested in alternative investments will also bear management fees and other expenses of those funds. We do not share in any of these separate fund fees or expenses. Any such fund fees and expenses are separate from and in addition to our management fees. These expenses shall be the responsibility of the client. Our firm recommends Pershing Advisor Solutions, LLC ("Pershing") as a custodian for client accounts. Other major custodians have recently eliminated transaction fees for all ETFs and U.S. listed equities, so clients may pay more for investing in the same securities at Pershing.

D. We must disclose if client's advisory fees are due quarterly in advance. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

As stated above, we charge our advisory fees quarterly in advance. In the event that you terminate our services, we will promptly refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services.

Financial Planning & Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee

currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

E. Commissionable Securities Sales.

We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.

### Item 6: Performance-Based Fees & Side-By-Side Management

We are not a party to any performance or incentive-related compensation arrangements with its clients.

### Item 7: Types of Clients & Account Requirements

We offer our services to the following types of clients:

- Individuals & High Net Worth Individuals
- Pension & Profit Sharing Plans
- Corporations, Limited Liability Companies and/or Other Business Types
- Trusts, Estates or Charitable Organizations;

We do not have requirements for opening and maintaining accounts or otherwise engaging us.

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

A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

#### **Methods of Analysis**

**Charting:** In this type of technical analysis, our firm reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**Cyclical Analysis:** Statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks include that cycles may invert or disappear and there is no expectation that this type of analysis will pinpoint turning points, instead be used in conjunction with other methods of analysis.

**Fundamental Analysis:** The analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earnings), health, and its competitors and markets. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches one can use: bottom-up analysis and top-down analysis. The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives: (a) to conduct a company

stock valuation and predict its probable price evolution; (b) to make a projection on its business performance; (c) to evaluate its management and make internal business decisions; (d) and/or to calculate its credit risk.; and (e) to find out the intrinsic value of the share.

When the objective of the analysis is to determine what stock to buy and at what price, there are two basic methodologies investors rely upon: (a) Fundamental analysis maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by purchasing the mispriced security and then waiting for the market to recognize its "mistake" and reprice the security.; and (b) Technical analysis maintains that all information is reflected already in the price of a security. Technical analysts analyze trends and believe that sentiment changes predate and predict trend changes. Investors' emotional responses to price movements lead to recognizable price chart patterns. Technical analysts also analyze historical trends to predict future price movement. Investors can use one or both of these different but complementary methods for stock picking. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis:** A security analysis methodology for forecasting the direction of prices through the study of past market data, primarily price and volume. A fundamental principle of technical analysis is that a market's price reflects all relevant information, so their analysis looks at the history of a security's trading pattern rather than external drivers such as economic, fundamental and news events. Therefore, price action tends to repeat itself due to investors collectively tending toward patterned behavior – hence technical analysis focuses on identifiable trends and conditions. Technical analysts also widely use market indicators of many sorts, some of which are mathematical transformations of price, often including up and down volume, advance/decline data and other inputs. These indicators are used to help assess whether an asset is trending, and if it is, the probability of its direction and of continuation. Technicians also look for relationships between price/volume indices and market indicators. Technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns. Technical analysis is widely used among traders and financial professionals and is very often used by active day traders, market makers and pit traders. The risk associated with this type of analysis is that analysts use subjective judgment to decide which pattern(s) a particular instrument reflects at a given time and what the interpretation of that pattern should be.

### **Investment Strategies We Use**

**Long-Term Purchases:** Our firm may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security's value will appreciate over a long horizon. The risk of this strategy is that our firm could miss out on potential short-term gains that could have been profitable to your account, or it's possible that the security's value may decline sharply before our firm makes a decision to sell.

**Short-Term Purchases:** When utilizing this strategy, our firm may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). Our firm does this in an attempt to take advantage of conditions that our firm believes will soon result in a price swing in the securities our firm purchase.

**Trading:** Our firm may purchase securities with the idea of selling them very quickly (typically within 30 days or less). Our firm does this in an attempt to take advantage of our predictions of brief price swings. Trading involves risk that may not be suitable for every investor and may involve a high volume of trading activity. Each trade generates a commission and the total daily commission on such a high volume of trading can be considerable. Active trading accounts should be considered speculative in nature with the objective being to generate short-term profits. This activity may result in the loss of more than 100% of an investment.

**Cash & Cash Equivalents:** Cash and cash equivalents generally refer to either United States dollars or highly liquid short-term debt instruments such as, but not limited to, treasury bills, bank CD's and commercial papers. Generally, these assets are considered nonproductive and will be exposed to inflation risk and considerable opportunity cost risk. Investments in cash and cash equivalents will generally return less than the advisory fee charged by our firm. Our firm may recommend cash and cash equivalents as part of our clients' asset allocation when deemed appropriate and in their best interest. Our firm may advise our clients on the pros and cons of internet bank accounts and may recommend cash to be moved to FDIC Insured Accounts. Our firm considers cash and cash equivalents to be an asset class. Therefore, our firm assesses an advisory fee on cash and cash equivalents in applicable retirement accounts, unless indicated otherwise in writing.

**Mutual Funds:** Our custodian, Pershing, makes approximately 29,000 mutual funds available to Centricity and our clients via their mutual fund platform, FundVest. Centricity attempts to recommend the mutual fund share class that is in your best interest based on a variety of factors including your financial situation, investing objectives, investment time horizon, and intended trading/transaction level. We also consider mutual fund share class cost as part of the analysis. Fees and expenses charged by mutual funds may seem small, but over time, they can have a significant impact on your investment portfolio's returns. In some instances, a share class with higher fees and expenses may be in your best interest based on other relevant factors. Furthermore, despite the large number of funds available, it is possible that there may be lower cost mutual fund share classes that are not supported by Pershing/FundVest. It is also possible that certain mutual fund share classes may have eligibility standards that you do not meet. As a result, even though a lower share class may exist, it may not be available to Centricity through Pershing/FundVest. We will discuss your options with you and provide you with information regarding our mutual fund share class selection determination. For more information regarding mutual fund fees, you can visit: <https://www.investor.gov/introduction-investing/getting-started/understanding-fees>.

**Short Sales:** A short sale is a transaction in which an investor sells borrowed securities in anticipation of a price decline and is required to return an equal number of shares at some point in the future. These transactions have a number of risks that make it highly unsuitable for the novice investor. This strategy has a slanted payoff ratio in that the maximum gain is limited, but the maximum loss is theoretically infinite. The following risks should be considered: (1) In addition to trading commissions, other costs with short selling include that of borrowing the security to short it, as well as interest payable on the margin account that holds the shorted security. (2) The short seller is responsible for making dividend payments on the shorted stock to the entity from whom the stock has been borrowed. (3) Stocks with very high short interest may occasionally surge in price. This usually happens when there is a positive development in the stock, which forces short sellers to buy the shares back to close their short positions. Heavily shorted stocks are also susceptible to "buy-ins," which occur

when a broker closes out short positions in a difficult-to-borrow stock whose lenders are demanding it back. (4) Regulators may impose bans on short sales in a specific sector or even in the broad market to avoid panic and unwarranted selling pressure. Such actions can cause a spike in stock prices, forcing the short seller to cover short positions at huge losses.

**Margin Transactions:** Our firm may purchase securities for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase securities without selling other holdings. Margin accounts and transactions are risky and not necessarily appropriate for every client. It should be noted that our firm bills advisory fees on securities purchased on margin which creates a financial incentive for us to utilize margin in client accounts.

The potential risks associated with these transactions are (1) You can lose more funds than are deposited into the margin account; (2) the forced sale of securities or other assets in your account; (3) the sale of securities or other assets without contacting you; (4) you may not be entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call; and (5) custodians charge interest on margin balances which will reduce your returns over time.

**Options:** An option is a financial derivative that represents a contract sold by one party (the option writer) to another party (the option holder, or option buyer). The contract offers the buyer the right, but not the obligation, to buy or sell a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). Options are extremely versatile securities. Traders use options to speculate, which is a relatively risky practice, while hedgers use options to reduce the risk of holding an asset. In terms of speculation, option buyers and writers have conflicting views regarding the outlook on the performance of a:

- *Call Option:* Call options give the option to buy at certain price, so the buyer would want the stock to go up. Conversely, the option writer needs to provide the underlying shares in the event that the stock's market price exceeds the strike due to the contractual obligation. An option writer who sells a call option believes that the underlying stock's price will drop relative to the option's strike price during the life of the option, as that is how he will reap maximum profit. This is exactly the opposite outlook of the option buyer. The buyer believes that the underlying stock will rise; if this happens, the buyer will be able to acquire the stock for a lower price and then sell it for a profit. However, if the underlying stock does not close above the strike price on the expiration date, the option buyer would lose the premium paid for the call option.
- *Put Option:* Put options give the option to sell at a certain price, so the buyer would want the stock to go down. The opposite is true for put option writers. For example, a put option buyer is bearish on the underlying stock and believes its market price will fall below the specified strike price on or before a specified date. On the other hand, an option writer who sells a put option believes the underlying stock's price will increase about a specified price on or before the expiration date. If the underlying stock's price closes above the specified strike price on the expiration date, the put option writer's maximum profit is achieved. Conversely, a put option holder would only benefit from a fall in the underlying stock's price below the strike price. If the

underlying stock's price falls below the strike price, the put option writer is obligated to purchase shares of the underlying stock at the strike price.

The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

**Covered Calls:** The risks associated with this type of strategy involve having the underlying stock called away. Each contract has a strike price at which the writer of the contract agrees to allow the purchaser call the stock away from the writer. This can create a taxable event whereby the writer of the option is required to recognize a capital gain on the underlying security. Furthermore, the market price could appreciate beyond the strike price, forcing the writer to sell their holdings below current market value.

**Uncovered Options:** Uncovered option writing is suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. If the value of the underlying instrument moves against an uncovered writer's options position, our firm may request significant additional margin payments. If an investor does not make such margin payments, we may be forced to close stock or options positions in the investor's account.

The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position and may incur large losses if the value of the underlying instrument increases above the exercise price.

As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.

### **General Risks Associated with Alternative Investments**

We may recommend and/or invest your assets into alternative investments, including Private Equity, Private Credit, privately held Real Estate, and Structured Notes. Alternative investments involve a high degree of risk and can be illiquid due to restrictions on transfer and lack of a secondary trading market. This illiquidity and lack of trading market can impact both the periodic valuation price or the amount recognized in a premature sale. Alternative investments can be highly leveraged, speculative, and volatile, and you could lose all or a substantial amount of the investment. Alternative investment managers typically exercise broad investment discretion and may apply similar strategies across multiple investment vehicles, resulting in less diversification. When applicable, you will receive offering documents prepared by the securities issuer or sponsor which summarize the risks associated with the specific investment. Please refer to the private placement memorandum, offering circular, or prospectus ("PPM") for important information, including for example, state-specific suitability requirements and investment risk disclosures. Investment risks are summarized in the PPM. When CWM recommends an alternative investment to you, you will receive from us an Alternative Investment Disclosure which further explains the risks

associated with the investment and requires your acknowledgment that you have read and understand such risks. Investments that offer the potential for greater returns commonly pose greater risks of significant losses. If you choose to invest in these securities, you will bear these known risks and risks that may not yet be known. Additionally, alternative investments may involve complex tax treatment. As such you should consult your tax advisor or attorney about your tax situation.

### **Risks Associated with Structured Notes**

Structured notes do not pay interest or dividends, nor provide voting rights or guarantee any return of principal at maturity unless specifically provided otherwise. Most structured note payments are based on the performance of an underlying index or commodity (i.e., S&P 500, etc.) and if the underlying index were to decline 100% then the payment may result in a loss of a portion or all of a client's principal. Notes are not insured through any governmental agency or program and the return of principal and fulfillment of the terms negotiated by CWM on behalf of clients is dependent on the financial condition of the third party (i.e., the counter party) issuing the note and the issuer's ability to pay its obligations as they become due.

Structured notes purchased for clients will not be listed on any securities exchange. There may be no secondary market for such structured notes, and neither the issuer nor the agent will be required to purchase notes in the secondary market. Some of these structured financial products are callable by the issuer only, therefore the issuer (not the investor) can choose to call in the structured notes and redeem them before maturity. In addition, the maximum potential payment on structured notes will typically be limited to the redemption amount applicable for a payment date, regardless of the appreciation in the underlying index associated with the note. Since the level of the underlying index at various times during the term of the structured notes held by clients could be higher than on the valuation dates and at maturity, clients may receive a lower payment if redeemed early or at maturity than if a client would have invested directly in the underlying index.

While the payment at maturity of any structured notes would be based on the full principal amount of any note sold by the issuer, the original issue price of any structured note purchased for clients includes an agent's commission and the cost of hedging the issuer's obligations under the note. As a result, the price, if any, at which an issuer will be willing to purchase structured notes from clients in a secondary market transaction, if at all, will likely be lower than the original issue price and any sale before the maturity date could result in a substantial loss. Structured notes will not be designed to be short-term trading instruments so clients should be willing to hold any notes to maturity.

**In the event that the client seeks to prohibit or limit the purchase of structured notes for the client's account, the client can do so, in writing, addressed to our Chief Compliance Officer. In the event that a client has any questions regarding alternative investments, our Chief Compliance Officer, Christopher Ciehanski, remains available to address them.**



## **Risk of Loss**

**Capital Risk:** Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100% of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

**Company Risk:** When investing in stock 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.

**Economic Risk:** The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

**Equity (Stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and, volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

**ETF & Mutual Fund Risk:** When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities, the ETF, or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.

**ETF (bitcoin):** In January 2024, investors can buy shares in a spot bitcoin ETF. These are new ETFs structured to track the movements of the underlying cryptocurrency. There are significant risks involved in these types of securities including: a lack of regulatory structure/oversight; lack of sufficient "liquidity" to enter or exit a position. It is important to note that a market lacking liquidity could lead to unusually wide bid/ask spreads and difficulty executing trades, especially in volatile markets.

**Financial Risk:** Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

**Inflation Risk:** Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

**Interest Rate Risk:** Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

**Legal/Regulatory Risk:** Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

**Liquidity Risk:** Certain assets may not be readily converted into cash or may have a very limited market in which they trade. This can create a substantial delay in the receipt of proceeds from an investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e., not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

**Market Risk:** The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security's price due to company specific events (e.g., earnings disappointment or downgrade in the rating of a bond) or general market risk (e.g., such as a "bear" market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns.

**Market Timing Risk:** Market timing can include high risk of loss since it looks at an aggregate market versus a specific security. Timing risk explains the potential for missing out on beneficial movements in price due to an error in timing. This could cause harm to the value of an investor's portfolio because of purchasing too high or selling too low.

**Options Risk:** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Additionally, options have an expiration date, which

makes them “decay” in value over the amount of time they are held and can expire worthless. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

**Past Performance:** Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment’s future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

**Strategy Risk:** There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

**Note:** Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease, and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

#### Item 9: Disciplinary Information

There are no legal or disciplinary events material to the evaluation of our advisory business or the integrity of our management.

#### Item 10: Other Financial Industry Activities & Affiliations

Representatives of our firm are licensed, but not practicing, insurance agents. Clients of our firm will not be solicited to partake in insurance services through our firm or representatives.

Representatives of our firm are licensed real estate agents. As a result, they may receive normal and customary fees or referral fees associated with the purchase and/or sale of real estate. They only work with family members when needed and clients are not actively solicited. These services are completely independent of our financial planning and investment advisory services.

In addition, Mr. Ciehanski, principal of our firm, is a Certified Public Accountant. Mr. Ciehanski does not provide any accounting or tax services in his capacity as a CPA and encourages clients to consult their tax advisor or attorney for tax planning assistance.

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

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out

in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

## Item 12: Brokerage Practices

A. Description of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions).

1. Research & Other Soft Dollar Benefits.

Our firm may recommend/require that clients establish brokerage accounts with Pershing Advisor Solutions, LLC ("PAS"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although our firm may recommend/require that clients establish accounts at PAS, it is the client's decision to custody assets with PAS. Our firm is independently owned and operated and not affiliated with PAS.

For our firm's client accounts maintained in its custody, PAS generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through PAS or that settle into PAS accounts. Prior to engaging CWM to provide investment management services, the client will be required to enter into a formal Comprehensive Portfolio Management Agreement with CWM setting forth the terms and conditions under which CWM shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that we consider in recommending PAS (or any other broker-dealer/custodian to clients) include historical relationship with CWM, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as PAS can charge transaction fees for effecting certain securities transactions. To the extent that a transaction fee will be payable by the client, the transaction fee shall be in addition to our investment advisory fee referenced in Item 5 above.

To the extent that a transaction fee is payable, CWM shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to affect the same transaction where we determine, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although CWM will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

**Research and Benefits:** Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, we may receive from Pershing (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist CWM to better monitor and service client accounts maintained at such institutions.

CWM's clients do not pay more for investment transactions effected and/or assets maintained at Pershing as the result of this arrangement. There is no corresponding commitment made by CWM to Pershing, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as result of the above arrangement.

PAS charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). PAS enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. PAS commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by PAS may be higher or lower than those charged by other custodians and broker-dealers.

When we recommend or select mutual funds and exchange traded funds ("ETF") in client investment strategies, CWM reviews each client's financial goals, objectives, financial holdings, and overall financial plan when determining which investments are in the client's best interest. Our goal is to purchase the least expensive share class available for the mutual fund Pershing/FundVest. We take into account all of the consideration factors related to choosing the most appropriate mutual fund. In some instances, the mutual fund investment that CWM recommends might be slightly more expensive than another share class with lower expense ratios when considering all of

the relevant factors. Clients that do not engage us for our services may be able to invest in other share classes that are not available at Pershing/FundVest. For additional disclosures and information, please see *Mutual Funds under Item 8: Methods of Analysis, Investment Strategies & Risk of Loss*, above.

Clients may pay a commission to PAS that is higher than another qualified broker-dealer might charge to affect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

We do not receive soft dollar benefits although the non-soft dollar investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

2. Brokerage for Client Referrals.

Our firm does not receive brokerage for client referrals.

3. Directed Brokerage.

CWM generally does not accept directed brokerage arrangements (but could make exceptions). A directed brokerage arrangement arises when a client requires that account transactions be affected through a specific broker-dealer/custodian, other than one generally recommended by CWM (i.e., Pershing). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and CWM will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by CWM. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Note:** In the event that the client directs CWM to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through.

**Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its

business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

- B. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to clients of not bunching.

Transactions for each client account generally will be affected independently unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or “batch” such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among our clients’ differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. In the event that we become aware that a Firm employee seeks to trade in the same security on the same day, the employee transaction will either be included in the “batch” transaction or transacted after all discretionary client transactions have been completed. We shall not receive any additional compensation or remuneration as the result of such aggregation.

### Item 13: Review of Accounts or Financial Plans

We review accounts on at least a quarterly basis for our Comprehensive Portfolio Management clients. The nature of these reviews is to learn whether clients’ accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we contact our Comprehensive Portfolio Management clients.

Only our representatives will conduct reviews. We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client’s life events, requests by the client, etc.

We generally do not provide ongoing services to financial planning clients, but are willing to meet with such clients as agreed to or upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they contract with us for post-financial plan meetings or update to their initial written financial plan.

### Item 14: Client Referrals & Other Compensation

As indicated at Item 12 above, we can receive from Pershing (and others) without cost (and/or at a discount), support services and/or products. Our clients do not pay more for investment transactions effected and/or assets maintained at Pershing (or any other institution) as result of this arrangement.

There is no corresponding commitment made by us to Pershing, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as the result of the above arrangement.

We do not pay promoter arrangements/pay referral fee compensation to non-employees for new client introductions.

While the firm and its employees generally bear all the costs associated with performing investment due diligence and maintaining required continuing education occasionally, CWM representatives may be provided with reduced or no cost education by an unaffiliated provider, such as an investment or fintech company. Additionally, in very rare circumstances, an unaffiliated provider may reimburse CWM for a representative's travel costs with certain education or due diligence materials. These benefits and/or reimbursements provide a conflict of interest to clients in that CWM may have an incentive to recommend the provider's investment product. Such benefits and reimbursements are monitored by the firm and will only be utilized when the Chief Compliance Officer believes a representative may benefit in either their personal development or enhanced knowledge around a particular investment or strategy. These benefits will not be based on, or related to, any type of sales incentive program or intent and may not influence the recommendation of one investment product over another.

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

Our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. Please note, the Billable Value on our billing statement may vary from the client's custodial statement due to items such as the timing of posting and settlement of transactions, the amortization or accretion of fixed-income securities, securities pricing, the treatment of corporate reorganizations or other corporate actions, reporting dates, differences in the methodology or interpretation of recording certain transactions and other differences. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from CWM to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV.

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

The client can determine to engage us to provide investment advisory services on a discretionary basis. Prior to engaging us to provide investment management services, the client will be required to enter into a formal Comprehensive Portfolio Management Agreement with us setting forth the terms and conditions under which we shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Clients who engage us on a discretionary basis may, at any time, impose restrictions, in writing, on our discretionary authority. (i.e., limit the types/amounts of particular securities purchased for their



account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe CWM's use of margin, etc.).

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

CWM does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted; and (2) making all elections, decisions, and filings relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, class actions, or other type actions or events pertaining to the client's investment assets.

Clients will receive their proxies or other solicitations directly from their custodian. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write, or email us to discuss questions they may have about particular proxy votes or other solicitations.

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

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- Our firm has never been the subject of a bankruptcy proceeding.