

# CWM Advisory, LLC

## FIRM BROCHURE - FORM ADV PART 2A



info@mycwmanagement.com  
(410) 208-1091 • 11202 Racetrack Road, Suite 102, Ocean Pines, MD 21811  
<https://www.mycwmanagement.com>

This brochure provides information about the qualifications and business practices of CWM Advisory, LLC. If you have any questions about the contents of this brochure, please contact us at (410) 208-1091 or by email at: info@mycwmanagement.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 CWM Advisory, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). CWM Advisory, LLC's CRD number is: 299923.

Registration as an investment adviser does not imply a certain level of skill or training.

Version Date: 2/12/2021

## Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of CWM Advisory, LLC on January 13, 2020 are described below. This list summarizes changes to policies, practices or conflicts of interests only.

- CWM Advisory, LLC has updated their types of advisory services to include Consulting Services Provided by Third Party Advisers (Item 4.B, Item 5.A, & Item 5.B).
- CWM Advisory, LLC has updated their assets under management (Item 4.E).
- CWM Advisory, LLC has updated financial planning to include Helios (Item 5.A & Item 5.B).

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# Item 4: Advisory Business

## A. Description of the Advisory Firm

CWM Advisory, LLC is a Limited Liability Company organized in the State of Maryland. The firm was formed in November 2018, and the principal owner is Harold Lynn Carmean.

## B. Types of Advisory Services

### *Selection of Other Advisers Services*

CWM Advisory, LLC directs clients to third-party investment advisers, specifically SEI, to manage all or a portion of the client's assets. Before selecting other advisers for clients, CWM Advisory, LLC will always ensure those other advisers are properly licensed or registered as an investment adviser. CWM Advisory, LLC then makes investments with a third-party investment adviser by referring the client to the third-party adviser. CWM Advisory, LLC will be involved in the initial and end phases of the portfolio management process provided by SEI. Initially, CWM Advisory, LLC will identify a client or prospect's investment goals and risk tolerance. SEI then works closely with CWM Advisory, LLC to ensure the client is placed into a SEI strategy that is best suited to meet the client's financial goals and needs. The asset allocation, portfolio design, investment manager selection, portfolio construction, tax management, and risk management are completed by the SEI Investment Management Unit as part of the investment process. SEI monitors the portfolio(s) on an ongoing basis and make changes to the above mentioned components as necessary. CWM Advisory, LLC should on a regular basis monitor the investor's needs, risk tolerance, and goals and notify SEI if there are any changes that may impact the client account. CWM Advisory, LLC reviews performance of all SEI accounts during their quarterly review meetings with clients. The client goals act as the primary benchmark for measuring account performance. Standardized benchmarks (i.e S&P500, Barclays Agg, etc.) are used as well to provide context and relative performance data.

Prior to introducing Pennsylvania clients to another investment advisor, CWM Advisory, LLC will be responsible for determining the following:

- whether the investment advisor is registered with the Pennsylvania Department of Banking and Securities under Section 301 of the Pennsylvania Securities Act of 1972 ("1972 Act") whether the investment advisor is relying on an exclusion from the definition of investment advisor under Section 102(j) of the 1972 Act;
- whether the investment advisor is relying on an exemption from registration under Section 302(d) of the 1972 Act; or
- if the investment advisor is registered with the Securities and Exchange Commission, and whether it has filed a Notification Filing with the Pennsylvania Department of Banking and Securities under Commission Regulation 303.015(a).

### *Financial Planning*

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

### *Consulting Services Provided by Third-Party Advisers*

CWM Advisory, LLC offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans) through a third-party. CWM Advisory, LLC may advise a client to a third-party administrator and record keeper, PCS Retirement ("PCS"). PCS is an independent firm used for administration purposes only and run by attorneys. PCS Retirement supports investment managers by accepting delegation of fiduciary responsibility under ERISA Section 3(38). Millennium Investment and Retirement Advisors ("MIRA") will be the investment manager for the client's assets. For retirement plan sponsors, Millennium serves as an unconflicted "independent fiduciary".

MIRA accepts the fiduciary liability under ERISA. The asset allocation, portfolio design, investment manager selection, portfolio construction, and risk management are completed by PCS Retirement and Millenium Investment and Retirement Advisors. CWM Advisory, LLC provides investor education only.

#### *Ongoing Financial Planning Services*

Ongoing financial planning services may include:

1. Initial Consultation (Free)
  - a. Assess current financial situation and discuss the financial planning process and services
2. Detailed Meeting to go through clients' financial situation in depth and better understanding of client's financial goals and concerns
3. Client Recommendation Meeting
  - a. Delivery of a financial plan including current net worth (Balance Sheet), goals, action items, and more
  - b. Recommendations
  - c. Client walkthrough of plan and any questions

Included in the ongoing plan:

1. Quarterly check-ins with clients to assess financial plan, implementation of the plan, limitations, and adjustments needed, and assessment of new variables in a client's financial picture
2. End of Year meeting to discuss financial plan

*Financial Planning Services include:*

1. Investments
2. Estate Planning
3. Insurance
4. Tax planning
5. Education & Monitoring
6. Retirement Planning
7. Education Planning
8. Goal Setting & Planning
9. Cash Management
10. Assets & Debts
11. Employee Benefits
12. Real Estate

#### *Services Limited to Specific Types of Investments*

CWM Advisory, LLC does not recommend securities. If CWM Advisory, LLC chooses a SEI strategy or an approved manager, all buys and sells are made by the SEI Investment Management Unit and/or the underlying investment managers.

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

CWM Advisory, LLC will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by CWM Advisory, LLC on behalf of the client. CWM Advisory, LLC may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent CWM Advisory, LLC from properly servicing the client account, or if the restrictions would require CWM Advisory, LLC to deviate from its standard suite of services, CWM Advisory, LLC reserves the right to end the relationship.

## D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. CWM Advisory, LLC does not participate in wrap fee programs.

## E. Assets Under Management

CWM Advisory, LLC has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$50,499,421	January 2021

# Item 5: Fees and Compensation

## A. Fee Schedule

### *Selection of Other Advisers Fees*

CWM Advisory, LLC will receive its standard fee on top of the fee paid to the third party adviser. These fees are negotiable. This relationship will be memorialized in each contract between CWM Advisory, LLC and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency. Specifically, CWM Advisory, LLC will direct clients to SEI Investments Management Corp CRD#105146 (SEI). CWM Advisory, LLC's fees are based upon the value of assets under management with a minimum fee of 0.00% and a maximum fee as outlined below.

Total Assets	CWM Advisory, LLC's Fee	SEI's Fee	Total Fee
First \$2,000,000	1.00%	Up to 1.25%	Up to 2.25%
\$2,000,001 - \$4,000,000	.75%	Up to 1.25%	Up to 2.00%
\$4,000,001 +	.50%	Up to 1.25%	Up to 1.75%

CWM Advisory, LLC's fee is calculated and deducted from client accounts by SEI Investments Management Corp. SEI's system will calculate the fee based on the market value of the last day in the month. The market value is multiplied by the advisory fee and then divided by 12 (months). The fee calculation will always take place on the very next business day while the fee will be deducted from the client account(s) around a week later. Fee collection may be staggered to allow for the system to raise cash prior to pulling the fees. These fees are negotiable.

### *Consulting Services Provided by Third-Party Advisers*

Fee schedules for clients are clearly indicated on the account documentation of the third-party adviser. However, in most cases the fee schedules are negotiated and agreed upon by the client and the adviser. Additional transactional costs and/or custodial costs may be charged by the custodial firm/third-party adviser, in addition to the negotiated advisory fees. The fees will not exceed any limit imposed by any regulatory agency.

Fee schedules for employee benefit plans subject to the Employee Retirement Income Security Act of 1974 (“ERISA”) may be negotiated with the Plan Administrator and set a flat dollar amount per year. This flat fee may be based on the requested services, size of the plan, provisions in the Investment Policy Statement, number of employees, etc.

### *Fixed Planning Fees*

#### **Fixed Fees**

The negotiable fixed rate for creating client financial plans is between \$300 and \$2,500.

### *Ongoing Financial Planning Fees*

#### **Monthly Fixed Fees**

The negotiable monthly fee for ongoing financial planning services is between \$50 and \$200 per month.

Clients may terminate the agreement without penalty, for full refund of CWM Advisory, LLC’s fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

#### **Estate Planning Provided by Helios Integrated Planning (HIP)**

In addition to estate planning by CWM Advisory, LLC, estate planning services requiring the following will be implemented (State specific) through Helios Integrated Planning (HIP):

1. Trust
2. Certification of Trust
3. General Transfer
4. Financial Power of Attorney
5. Medical Power of Attorney or Advance Health Care Directive
6. HIPAA Release
7. Will
8. Deed(s) for real property (at an additional charge)
9. Property Agreement (for Community Property states only)

CWM Advisory, LLC will charge a one-time fee in the following manner for documents prepared and executed by Helios Integrated Planning (HIP):

- Trust, Certification of Trust, General Transfer, Financial Power of Attorney, Medical Power of Attorney or Advance Health Care Directive, HIPAA Release, Will - \$895/\$750 if no trust is needed
- Deed(s) for real property - \$250/per deed
- Existing Estate plan review - \$200

CWM Advisory, LLC contractually pays Helios Integrated Planning (HIP) for their services. CWM Advisory is being compensated only for the coordination of information between the client and attorneys utilized through Helios Integrated Planning (HIP). CWM Advisory, LLC does not provide legal advice.

Any estate plan that is not “basic” will be flagged for deeper examination or referral to a local estate planning attorney.

## **B. Payment of Fees**

### *Payment of Selection of Other Advisers Fees*

Fees for selection of SEI Investments Management Corp as third-party adviser are withdrawn directly from the client’s accounts with client’s written authorization by SEI. SEI will then pay CWM Advisory, LLC their portion of the fees earned. Fees are paid monthly in arrears.

#### *Payment of Consulting Services Provided by a Third-Party*

Fees for consulting services by a third-party adviser are withdrawn directly from the client's accounts with client's written authorization by PCS and Millenium. The third-party adviser will then pay CWM Advisory, LLC their portion of the fees earned. Fees are paid quarterly in arrears.

#### *Payment of Financial Planning Fees*

Financial planning fees are paid via EFT and credit card.

Fixed financial planning fees are paid 25% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

#### *Payment of On-going Financial Planning Fees*

On-going financial planning fees are paid via EFT. CWM Advisory, LLC may also accept payment of financial planning fees by credit card. These payments are facilitated by AdvicePay. AdvicePay is a third party vendor that processes payments for CWM Advisory, LLC. The adviser has zero access to the client's credit card or banking information. Clients are required to authorize each charge via AdvicePay. Fees are paid monthly in advance.

#### *Payment of Estate Planning Services Provided by Helios*

Fees for services by Helios are paid via EFT and credit card. These payments are facilitated by AdvicePay. AdvicePay is a third-party vendor that processes payments for CWM Advisory, LLC. The adviser has zero access to the client's credit card or banking information. Clients are required to authorize each charge via AdvicePay. Fees are paid 50% in advance, but never more than six months in advance, with the remainder payable upon execution of the documents.

### **C. Client Responsibility For Third Party Fees**

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

### **D. Prepayment of Fees**

CWM Advisory, LLC collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check from CWM Advisory, LLC.

Fixed fees that are collected in advance for discrete financial planning but unearned will be refunded based on the prorated amount of work completed at the point of termination.

Monthly fees paid in advance for ongoing financial planning are not refunded for the month in which the relationship is terminated since the client will have access to the financial planning services for that month.

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

Representatives of CWM Advisory, LLC in their outside business activities (see Item 10 below) are licensed to accept compensation for the sale of insurance products to CWM Advisory, LLC clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending insurance products for which the supervised persons receives compensation, CWM Advisory, LLC will document the conflict of interest in the client file and inform the client of the conflict of interest. Clients always have the right to decide whether to purchase CWM Advisory, LLC-recommended products and, if purchasing, have the right to purchase those products through other agents that are not affiliated with CWM Advisory, LLC.



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

CWM Advisory, LLC does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

CWM Advisory, LLC generally provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Charitable Organizations
- Corporations or Business Entities

There is no account minimum for any of CWM Advisory, LLC's services.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

CWM Advisory, LLC's methods of analysis include Modern portfolio theory.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

#### *Investment Strategies*

CWM Advisory, LLC uses long term trading.

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

### B. Material Risks Involved

#### *Methods of Analysis*

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

#### *Investment Strategies*

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Selection of Other Advisers:** CWM Advisory, LLC's selection process cannot ensure that money managers will perform as desired and CWM Advisory, LLC will have no control over the day-to-day operations of any of its selected money managers. CWM Advisory, LLC would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

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

### C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement

or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

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

## Item 9: Disciplinary Information

### A. Criminal or Civil Actions

There are no criminal or civil actions to report.

### B. Administrative Proceedings

There are no administrative proceedings to report.

### C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

## Item 10: Other Financial Industry Activities and Affiliations

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

Neither CWM Advisory, LLC nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither CWM Advisory, LLC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Tristan Lee Jacobi is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. CWM Advisory, LLC always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of CWM Advisory, LLC in connection with such individual's activities outside of CWM Advisory, LLC. Insurance products will not be offered to clients unless the individual CWM Advisory, LLC representative is appropriately

licensed to sell insurance products within the applicable state. He spends approximately 40 hours a week on this outside business activity.

Harold Lynn Carmean is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. The supervised person has an incentive to recommend investment products based on the compensation received, rather than on a client's needs. CWM Advisory, LLC always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of CWM Advisory, LLC in connection with such individual's activities outside of CWM Advisory, LLC. Insurance products will not be offered to clients unless the individual CWM Advisory, LLC representative is appropriately licensed to sell insurance products within the applicable state. He spends approximately 40 hours a week on this outside business activity .

Harold Lynn Carmean is President of Creative Wealth Management, LLC. This entity is used for payroll and receiving income generated from insurance product and services delivered by Harold Lynn Carmean in his role as an independent licensed insurance agent. He spends approximately 2 hours a month on this outside business activity.

Harold Lynn Carmean is a President/Member of Brandessence LLC. Brandessence is a boutique marketing firm catering to small businesses for branding, marketing consultation, and graphic design. He spends approximately 10 hours a month managing this outside business activity.

Laura Elizabeth Balback is Chief Compliance Officer & Partner of Creative Wealth Management, LLC. This entity is used for payroll purposes. She spends approximately 15 hours a month on this outside business activity.

Laura Elizabeth Balback is a member of Brandessence LLC. Brandessence is a boutique marketing firm catering to small businesses for branding, marketing consultation, and graphic design. She spends approximately 10 hours a month on administrative duties for this outside business activity.

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

CWM Advisory, LLC will direct clients to third-party investment advisers to manage all of the client's assets. Clients will pay CWM Advisory, LLC its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between CWM Advisory, LLC and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. CWM Advisory, LLC will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. CWM Advisory, LLC will ensure that all recommended advisers are licensed or notice filed in the states in which CWM Advisory, LLC is recommending them to clients.

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

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

CWM Advisory, LLC has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. CWM Advisory, LLC's Code of Ethics is available free upon request to any client or prospective client.

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

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

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

CWM Advisory, LLC does not recommend specific securities to clients and therefore representatives of CWM Advisory, LLC do not buy or sell securities for themselves that they also recommend to clients.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

CWM Advisory, LLC does not trade client securities.

# **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on CWM Advisory, LLC's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent.

CWM Advisory, LLC will recommend that clients custody with SEI Investments Management Corp.

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

CWM Advisory, LLC does not trade client's accounts and therefore receives no research, product, or services from a broker-dealer ("soft dollar benefits").

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

CWM Advisory, LLC receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **3. Clients Directing Which Broker/Dealer/Custodian to Use**

CWM Advisory, LLC does not trade client's accounts.

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

CWM Advisory, LLC does not trade clients' accounts and therefore does not have the ability to block trade purchases across accounts.

# **Item 13: Review of Accounts**

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

CWM Advisory, LLC reviews client accounts on a quarterly basis. As part of their quarterly review process, CWM Advisory, LLC evaluates account performance information alongside client goals and risk tolerance, making adjustments to the allocation if necessary. SEI monitors investment accounts on a daily basis making changes to the underlying securities, managers, and asset allocation as needed. Annual suitability reviews are completed on any account in which SEI acts as a co-advisor (ETFs, DFS, and Separately Managed Accounts).

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Harold L Carmean, President. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, CWM Advisory, LLC's services will conclude for one time financial planning and if the client elects ongoing services, the services will be provided as described in Item 4B of Form ADV Part 2A.

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

Each client of CWM Advisory, LLC's advisory services provided on an ongoing basis will receive, at least quarterly, a report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

*(Includes Sales Awards or Other Prizes)*

CWM Advisory, LLC does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CWM Advisory, LLC's clients.

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

CWM Advisory, LLC does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

CWM Advisory, LLC does not withdraw fees from client accounts. CWM Advisory, LLC does not take custody of client accounts at any time. Fees for selection of SEI Investments Management Corp as third-party adviser are withdrawn directly from the client's accounts with client's written authorization by SEI. SEI will then pay CWM Advisory, LLC their portion of the fees earned. Fees are paid monthly in arrears. The fee is calculated based on a percentage of the portfolio's daily net assets. Billing is pro-rated in the client's first month with CWM Advisory, LLC and SEI Investments Management Corp.

## **Item 16: Investment Discretion**

CWM Advisory, LLC does not have discretion over client accounts at any time.

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

CWM Advisory, LLC will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

CWM Advisory, LLC neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither CWM Advisory, LLC nor its management has any financial condition that is likely to reasonably impair CWM Advisory, LLC's ability to meet contractual commitments to clients.

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

CWM Advisory, LLC has not been the subject of a bankruptcy petition in the last ten years.

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

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

The education and business backgrounds of CWM Advisory, LLC's current management persons, Laura Elizabeth Balback, Tristan Lee Jacobi and Harold Lynn Carmean, can be found on the Form ADV Part 2B brochure supplements for those individuals.

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

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

**C. Calculation of Performance-Based Fees and Degree of Risk to Clients**

CWM Advisory, LLC does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

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

See Item 10.C and 11.B.