

# Carrier, Maurice & Webb Wealth Advisors

Year Ending December 31, 2018

Annual Update Form ADV Part 2A

Investment Advisor Brochure



This brochure provides information about the qualifications and business practices of Carrier, Maurice & Webb Wealth Advisors. If you have any questions about the contents of this brochure, please contact us at: (423) 610-0099, or by email at: [sstewart@cmwWealth.com](mailto:sstewart@cmwWealth.com). Neither the United States Securities and Exchange Commission, nor any state securities authority has approved or verified the information in this brochure. While registration is mandatory for all firms meeting the definition of investment adviser, registration does not imply any specific level of skill or training.

Additional information about CMW Wealth Advisors is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search from the "Investment Adviser Search", field by entering "Carrier, Maurice & Webb Wealth Advisors" or enter the firm registration (CRD) #126918. A copy of the full brochure may also be requested at any time by contacting us as listed above.

508 Princeton Road, Suite 301  
Johnson City, TN 37601 Phone: 423-610-0099  
Fax: 423-610-0366  
[www.cmwealth.com](http://www.cmwealth.com)

2030 W SR89A, Ste B2-b  
Sedona, AZ 86336  
Phone: 928-202-3216

**Material Changes**

Since the annual update for December 2017, there have been no material changes to the operation of the firm. In the future, material changes in the operation of the firm will be listed here and fully disclosed as required by state and/or federal authorities.

**Table of Contents**

***Material Changes*** ..... 2

***Table of Contents*** ..... 3

***Advisory Business*** ..... 4

***Fees and Compensation***..... 7

***Performance-Based Fees***..... 9

***Types of Clients*** ..... 9

***Methods of Analysis, Investment Strategies, and Risk of Loss*** ..... 9

***Disciplinary Information*** ..... 11

***Other Financial Industry Activities and Affiliations***..... 11

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

***Brokerage Practices*** ..... 12

***Review of Accounts*** ..... 13

***Client Referrals and Other Compensation***..... 13

***Custody*** ..... 14

***Investment Discretion*** ..... 14

***Voting Client Securities*** ..... 14

***Financial Information*** ..... 15

***Requirements for State-Registered Advisers*** ..... 15

***Professional Certifications/Designations Disclosure*** ..... 16

## **Advisory Business**

### *Firm Description*

Carrier, Maurice & Webb Wealth Advisors (referred to as “CMW” or ‘the firm’ throughout this brochure) was established in 2002 by Lois A. Carrier, CFP® and David L. Maurice, CFP® after having been in the advisory business for the previous 10 years with another firm which they also founded. Harrell Webb, AIF® joined the firm in 2007. The leadership of CMW includes two Certified Financial Planner™ professionals, each with nearly 30 years of professional investment experience and, together as a team.

In January, 2006, the firm terminated affiliation with its prior broker-dealer in order to eliminate potential and real conflicts of interest associated with that business model in the delivery of investment advice and management. The firm operates as a fully independent Investment Adviser registered in the State of Tennessee, the Commonwealth of Virginia and the State of Arizona.

CMW offers fee-only, fiduciary investment advisory services based on a strategic asset allocation approach to high earning individuals, high net worth individuals, foundations, retirement plans and plan participants. These services cover broad areas of clients’ financial lives, from wealth management to helping clients ensure their heirs have the tools to be responsible with inherited wealth. We collaborate closely with our clients.

Our specialty areas include: young career leaders, executives, women, physicians, business owners and other professionals, inherited wealth, retirees or near-retirees. Investment advisory and management services, as well as financial planning services are available to individuals, families, trusts, estates, retirement plan sponsors, and small businesses.

We have no proprietary products and none of the associated conflicts of interest. We design and implement customized client portfolios with the freedom to recommend an appropriate mix of investment alternatives based on the individual needs of our clients. Our advisory business consists primarily of ongoing investment advisory services. For the typical client, these services include:

- Review of current financial situation
- Collaborative investment education and decision-making process
- Development of appropriate, customized portfolio structure
- Documentation of approved strategy in an investment policy statement
- Implementation and ongoing management of the portfolio
- Ongoing monitoring of the investment recommendations used for implementation
- Investment performance, tax, and other reporting
- Coordination with other client advisors, such as attorneys and tax professionals
- Ongoing review and communication to ensure that the strategy remains appropriate
- Planning, projecting and modeling typically related to investment objectives

We also, from time to time, may provide investment advice of a more limited nature to clients who do not require ongoing investment advisory services. In these cases, we may provide consulting services tailored to the needs of the client.

CMW tailors its services and portfolios to the individual needs of the client. We do not utilize model portfolios. We involve our clients in the investment decision-making process. Our collaborative process actively guides clients through a series of portfolio decisions, resulting in an investment strategy.

The process results in the preparation of an Investment Policy Statement (IPS). The IPS serves as the operating manual for the portfolio and documents:

- Client's investment objective
- Client's asset allocation
- Portfolio risk/return characteristics
- Duties and responsibilities of those involved in the investment process

CMW works with clients to define financial objectives and to help develop strategies for reaching those objectives, some of which may include: client specific financial concerns, risk exposures, investment portfolio design and management, career transitions, college funding, retirement planning, family wealth and estate planning and other issues specific to each client.

The term 'fee-only, full-time fiduciary', means CMW always has a legal duty to serve clients' best interests ahead of its own and its employees. The firm does not receive any form of compensation from the sale of financial products. Client fees paid directly to the firm are our only source of compensation.

As a full-time fiduciary, clients can be certain their adviser is continuously bound to serve their best interest. By working with an adviser who has chosen to operate under this strict standard of care clients eliminate a common obstacle to their confidence in the selection and management of their investments and the strategy developed to guide the process. CMW provides a written fiduciary pledge to its clients.

CMW does not receive financial benefit from account custodians based on client securities transactions, technically referred to by regulators as "soft dollar" benefits. Assets under the management of the firm are strictly held in clients' names by independent, qualified custodians. These may include Fidelity Investments, TD Ameritrade Institutional, or others; the firm does not hold or custody any client assets. This avoids certain significant (but not all) risk exposure to clients' accounts.

Other allied professionals with whom CMW may coordinate are engaged directly by clients as needed. There are no formal referral arrangements with other professionals. CMW is unaware of any current conflicts of interest in its business model and normal practices; should any arise, it is the firm's policy to fully and immediately disclose, explaining how the firm will manage conflicts in the client's best interest.

Principal owners, Lois A. Carrier, David L. Maurice and Harrell H. Webb are stockholders of CMW. There are no intermediate subsidiaries.

#### *Types of Advisory Services*

The primary focus of our advisory services is the development of investment portfolio strategies and wealth management. CMW uses the methods of financial planning and wealth management in the development of basic investment policy statements. Clients are informed that in performing its services, CMW is not required to verify any information received from clients or from its clients' other professionals. Clients are responsible to notify CMW in a timely way whenever there are changes in their financial situation and/or financial objectives so that we can review, evaluate, and potentially revise previous recommendations or strategies.

The following are typical investment advisory/wealth management and financial planning arrangements offered to clients:

#### *Review and Portfolio Design*

We offer this service to address specific investment portfolio goals and objectives. This may include one or more accounts and serves as the foundation for an investment policy statement. It typically includes the following:

- Any projected investment income needs assessment, analysis and evaluation of current portfolio,
- Risk/return profile for each investment account, portfolio design and allocation recommendations.

This approach is designed for clients whose main objective is to help ensure that their life savings are invested in a manner optimally aligned with their retirement income and family wealth needs.

### *General Financial Planning*

This service takes a broader approach and may include a Financial or Retirement Planning Brief, which incorporates the Review and Portfolio Design described above along with specific portfolio recommendations. Additionally, there will typically be focus on short, intermediate and long range goals, risks assessment, estate planning guidance and coordination, and review of employer retirement benefits. This approach is designed for younger, high earning clients seeking a comprehensive strategy for reaching a level of financial independence in line with their intermediate and retirement goals.

### *Investment Advisory and Wealth Management Services*

Investment Advisory Services are generally provided for clients based upon development and presentation of a Review and Portfolio Design as described above under a separate client agreement. Investment Advisory and Wealth Management Services include the following components:

- Implementing specific allocation recommendations within an investment portfolio (one or more accounts) through specific fund selection and investment processing
- Monitoring of ongoing distribution needs and liquidity management as needed
- Regular internal account reviews throughout the year and
- Rebalancing (as needed)
- Quarterly performance statements generated by CMW
- Monthly account statements delivered separately by qualified account custodian and
- Regular personal client reviews and education

CMW also provides other regular and timely investor related content materials through traditional mail, electronically or by phone to help clients maintain a long term perspective throughout normal economic and market cycles. The firm considers client investor behavior to be the most critical component leading to their success or failure. For this reason considerable energy is devoted to helping clients stick with their strategy when it counts the most – most predictably times of extreme, yet normal market volatility.

We believe client education and coaching contributes measurably to long term investor success and demands significant training and experience to deliver this kind of value to clients. We communicate this emphasis from the outset and believe this has been integral to achieving the long term loyalty of our client relationships. For more about our investment philosophy we encourage prospects to visit our website, [www.cmwealth.com](http://www.cmwealth.com).

### *Outside Investment Advisory Services*

CMW provides this service for accounts that are not eligible to, or which may not be currently appropriate for, transfer to our custodial and trading platforms for management by CMW. These accounts may include active participant 401k's or other employer retirement plans, variable annuities and/or mutual funds that may have existing surrender fees.

This service includes:

- Evaluation of plan fund offerings
- Specific fund selection from available options within the current plan
- Asset allocation appropriate given the plan offerings
- Target allocations to each fund
- Review of changes in fund offering and recommended changes where appropriate
- Quarterly account review and rebalancing recommendations as appropriate.

This service generally requires clients to furnish quarterly statements. Clients are responsible for implementation of recommendations through their own account access systems.

### *Tailored Relationships*

CMW advisory services are tailored to the individual needs of our clients. Client goals and objectives are clarified in meetings and through correspondence. These personal interactions are used to determine the course of action for every individual client. Client goals and objectives are documented through our client relationship management systems in hard copy and/or electronically.

Clients typically do not, but may impose restrictions on investing in certain securities or types of securities. This needs to be done in writing and to be signed by our clients. Since CMW frequently recommends mutual funds or exchange traded funds to gain exposure to recommended asset classes, we believe restrictions are of little value to most clients.

### *Managed Assets*

As of December 31, 2018, CMW managed approximately \$32,000,000 in assets across 251 accounts for approximately 176 clients. All accounts are discretionary as discussed further on in this brochure.

### **Fees and Compensation**

CMW fees are based on a percentage of assets under management, and/or fixed fees. Fees are generally set but are negotiable prior to engagement of all services. CMW does not currently use a tiered fee schedule and does not employ retainer fees. The firm is comfortable with a flexible fee structure reflecting the nature of its clientele which generally demands a high level of personal interaction. We believe this helps protect the level of personal attention we offer our clients. Fees are thoroughly discussed and questions answered through our initial consultations which are offered at no charge.

### *Planning Review and Portfolio Design*

Our fee for this service is quoted for each case prior to client consent. Our quote will reflect the number of accounts, complexity of individual circumstances and time requirements to prepare and present the review. Typical fees for this service will range from \$1,500 to \$5,000. Please see our refund policy in the "Fee Billing" section of this brochure for more information.

### *General Financial Planning*

This service incorporates the Planning Review and Portfolio Design mentioned above in a broader context addressing issues in addition to specific investment objectives and portfolio recommendations. This service is also quoted on a case by case basis reflecting the number of accounts, complexity of individual circumstances and time requirements. Typical fees for this service range from \$1,000 to \$10,000. Fees are generally due upon presentation and satisfactory explanation of recommendations. (Please see our refund policy in the "Fee Billing" section of this brochure for more information).

### *Hourly Consulting/Coaching Services*

Hourly consulting/coaching services are made available for situations in which a closed end deliverable document is ill-suited to a client situation but where professional Wealth Management services may be effectively provided in a more open ended and consultative manner. Fees for this service are billed to clients by invoice detailing the hours spent in direct consultation with the client as well as time spent in preparation or follow-up to such consultation as agreed to in prior letter of engagement. Either party may discontinue the arrangement upon 15 days' notice. Fees are due upon billing and no fees are billed in advance for this service. The rate is generally \$200/hr. but may be negotiated prior to engagement on a case by case basis.

### *Investment Advisory and Management Services*

The fee for investment advisory accounts is typically between .50% and 2.0% per year based on the value of the account(s) under management at the beginning of each quarter. The specific rate within this range is determined by anticipated management complexity and time demands for each client and their accounts. One fourth of the annual rate is assessed in advance of each quarter based on the quarterly

account valuation. The fee is deducted on a quarterly basis from accounts held at the custodian.

CMW withdraws advisory fees directly from client accounts by authority of signed agreement (limited power of attorney) with the client and custodian. In some cases, clients may choose to be billed for fees incurred. Invoices or fee receipts are sent on a quarterly basis. Clients also receive monthly statements from custodians showing all transactions and disbursements for advisory fees. Fees are calculated on a per-diem basis during the quarter for new accounts.

Certain custodians or trusts may handle advisory fees on behalf of CMW by billing internally and remitting to CMW. Fees remain set by CMW and may be assessed on a monthly or quarterly basis. In these cases, client statements sent from the custodian or trustee lists those disbursements from the account paid to CMW. The function and method is designed to reach the same result for clients as its routine billing system. In cases where billing is assessed monthly, the actual computation and resulting difference in cost could be different than billing quarterly due to market fluctuations. This difference could be in either direction and therefore is not considered to present a conflict of interest.

#### *Discretionary Outside Investment Advisory Services*

Fees for outside discretionary investment advisory accounts are negotiable and range between .50% and 2.0% per year based on the value of the account under advisement at the beginning of each quarter. The specific rate within this range is determined by anticipated management complexity and time demands for each particular account. One fourth of the annual rate is assessed in advance of each quarter based on the quarterly account valuation.

This service is either billed directly to the client by invoice or, at the client's request, may be assessed from an account under management held at an independent qualified custodian used by the firm. Accounts advised on an "outside" basis are not held at the firm's regular qualified custodians. These accounts are also considered discretionary. Examples of such accounts include active participant in an employer sponsored retirement plan or, other entities such as non-affiliated broker-dealers or insurance companies.

#### *Fee Billing*

For *Planning Review and Portfolio Design* documents and general financial planning recommendations, deposits may be requested in advance for work to be presented. CMW limits requested deposits to one-half the full price. Once work has begun and unless written notice is received within five business days of our engagement, deposits become non-refundable in order to cover the time allotted to commence the work agreed upon. Refundable deposits will be made in full. CMW does not accept pre-payments of \$500 or more that are required six months or more in advance of document deliveries.

*Investment advisory/management* clients authorize in writing, fees to be deducted on a quarterly basis directly from account(s) under management held at our qualified custodian in order to facilitate billing; in some cases, e.g. *Discretionary Outside Investment Advisory* accounts, (see our description of "Discretionary Outside Investment Advisory Services," under "Fees and Compensation" above) clients may be invoiced for payment in lieu of direct assessment of quarterly fees from outside accounts. Clients must consent in advance to direct debiting of their investment account for investment management fees. Re-imbursments for prepaid advisory fees are handled in the following manner:

Advisory accounts are assessed on a per diem basis. Termination of an advisory engagement expressed in writing by either party allowing for ten days' notice will result in a refund to the client of fees paid in advance for the current quarter upon client request. Refunds are calculated from the normal annual fee less days of service not fulfilled for that quarter's payment.

#### *Other Fees*

Custodians may charge transaction fees on purchases or sales of: mutual funds, stocks, bonds, and exchange-traded funds. Transaction charges are an important part of total costs borne by CMW's clients.



Mutual funds and exchange traded funds also routinely charge a management fee for their services as investment managers. The management fee is usually included in the funds 'expense ratio'. Mutual fund fees also routinely cover transaction costs incurred by the fund for the purchase or sale of securities *internal to* the fund and, they may charge other fees as disclosed in the fund prospectus.

In some instances, funds can be traded without transaction fees. Typically, non-transaction fee (NTF) funds carry a higher expense ratio and may have a lower minimum investment threshold. The firm takes these factors into consideration on behalf of its clients as a part of its fiduciary responsibility to manage costs appropriate to each individual circumstance. These operational fees *are over and above* the fees paid by clients to our firm. CMW does not receive any portion of these fees. Please see the section entitled "Brokerage Practices" for more information.

In some cases, custodians may charge monthly, quarterly, or annual custody fees for certain types of securities e.g. "***non-standard assets***" which *are not recommended by CMW* but may be transferred in to new accounts at clients' requests. These custody fees are disclosed to clients in this type of arrangement. Clients have the option and are encouraged to hold these types of securities at other broker-dealers or directly with the sponsoring firms. CMW does not receive any portion of these custody fees.

#### *Compensation for Sales of Investment Products*

CMW receives zero commission compensation for the purchase or sale of any financial product.

#### **Performance-Based Fees**

CMW does not charge or use performance-based fees (fees based on a share of capital gains on or capital appreciation in client accounts) due to the inherent and/or potential conflict of interest.

#### **Types of Clients**

CMW generally provides investment advice to individuals, families, trusts, retirement plan sponsors and estates. Advice may extend to entities related to clients such as small businesses and charitable organizations, including foundations and endowments. Client relationships vary in scope and length of service. CMW does not impose a strict minimum dollar value of assets or other condition for opening or maintaining an advisory account. Because of the sophisticated level and in-house management of client portfolios, our services are not a match for all prospects or all client situations.

#### **Methods of Analysis, Investment Strategies, and Risk of Loss**

##### *Investment Strategies*

The investment strategy for a specific client is based upon the objectives, income needs, and tax situation etc. specific to each client. Clients may change these objectives at any time. Client goals and objectives are recorded from meetings and through correspondence. Each client portfolio is constructed solely for that client. We do not use model portfolios at the account level.

The firm advocates a strategic asset allocation investment strategy that does not rely on short-term market forecasts. We recommend that clients diversify their portfolios broadly across a variety of major asset classes. Differences in the patterns of returns across these asset classes mitigate the volatility risk at the portfolio level. Our investment philosophy maintains that an investment portfolio's asset allocation of money across these asset classes is the primary determinant of its long-term investment performance – both risk and return. The markets primarily drive investment results, rather than the exercise of skill in either security selection or market timing.

Client involvement in the design of the portfolio is critical to its success. We arrive at the allocation for each client through education and consultation with the client. Once the design process is complete, we follow a consistent and disciplined investment management process for the implementation and ongoing management of client portfolios in areas such as rebalancing, portfolio review, and fund manager selection.

We conduct independent research regarding the evaluation and recommendation of the money managers chosen to implement client strategies. Our due diligence for the selection of investments spans the universe of available options for each asset class and involves both quantitative and qualitative factors, including:

- Correlation to style or peer group
- Performance relative to peer group
- Performance relative to selected benchmark index
- Holdings consistent with style
- Expense ratios/fees
- Stability of the organization

By following the methodology described above, we arrive at a number of options with varying risk/return profiles. These options include various asset classes and investment management styles that, in total, are expected to offer participants the opportunity to diversify their retirement investments in a manner appropriate to their objectives, risk tolerances, and return expectations.

#### *Risk of Loss*

All investment programs have certain risks that are borne by the investor. Our investment approach maintains a balanced attention to the risk of potential loss. However, as with all investments, clients face investment risks including the following:

- Loss of Principal Risk
- Interest-rate Risk
- Market Risk
- Inflation Risk
- Currency Risk
- Reinvestment Risk
- Liquidity Risk
- Financial Risk
- Regulatory and Legislative Risk

While our investment strategy helps to reduce the risks associated with investing, it cannot eliminate risk altogether. During their investment lifetimes, investors should be prepared to encounter market environments in which they experience losses, perhaps significant ones. We mitigate the investment risks in client portfolios through the breadth of diversification across asset classes and across securities within asset classes. By designing portfolios that capture the benefits of multiple-asset-class investing, we help our clients pursue their financial goals with less volatility.

Because the breadth of diversification used in our investment strategy is global, our clients will likely face a unique behavioral risk that would not be present if they chose a more traditional U.S. stock and bond portfolio. We refer to this risk as “frame-of-reference” risk. It refers to the difficulty that an investor who is used to hearing primarily about the ‘S&P 500’, or the Dow’ is likely to have adhering to a globally diversified strategy during periods when those popular indexes are outperforming a global strategy.

When implementing client investment strategies, we generally use some type of a pooled vehicle, such as open-end mutual funds or exchange traded funds (ETFs). We do not make recommendations of individual stocks or individual bonds. CMW conducts independent research of securities - primarily mutual funds and exchange traded funds for selection and use in Global, Strategic Asset Allocation portfolios.

The main sources of information include Morningstar Inc., fund prospectuses, market commentaries and reports, Thompson Reuters, financial newspapers, academic journals and other industry publications, research materials prepared by others, filings with the Securities and Exchange Commission, and annual

reports. Employees of CMW also attend industry conferences advancing investment knowledge.

### **Disciplinary Information**

As a Registered Investment Advisor, we are required to disclose any legal or disciplinary events that might be material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

CMW and its management *have never* been named, charged, convicted of, pled no contest to, or been the subject of any order or judgment in a criminal or civil action in a domestic, foreign, or military court of competent jurisdiction.

CMW and its management *have never* been involved in an administrative proceeding before the SEC or any other federal, state, or foreign financial regulatory authority.

CMW and its management *have never* been the subject of any self-regulatory organization (SRO) proceeding.

### **Other Financial Industry Activities and Affiliations**

*Affiliations:* CMW has no other industry, or business activities or affiliations. Neither CMW nor any of its members have arrangements affecting the conduct of the firm. The firm has no proprietary products and manages all client accounts in-house without recommending third party investment managers or advisers e.g. separately managed accounts or *SMA*'s.

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

#### *Trading*

The employees of CMW are committed to the Code of Ethics outlined by the Financial Planning Association, FPA. The key points are:

- Integrity
- Objectivity
- Competence
- Fairness
- Confidentiality
- Professionalism and
- Diligence

CFP® designees are also held to a Code of Ethics and Professional Responsibility as outlined by the CFP® Board of Standards. CFP Board requires adherence to this Code of Ethics by all CFP Board designees. The firm will provide a copy of the Code of Ethics of either organization to any client or prospective client upon request.

#### *Participation or Interest in Client Transactions*

Any recommendation of a security in which the firm or its employees may have a financial interest is purely coincidental and limited to ownership positions by employees in the same securities. Clients are advised that CMW and/or its employees may own identical securities to those of its clients and the potential conflict of interest this could create should such financial interest become significant.

CMW does not believe this presents a conflict of interest at this time or is likely to present such a conflict of interest. CMW does not recommend securities in which it or related parties have any proprietary or significant material financial interest.

The firm and its employees may at times buy or sell securities that are also recommended to and held by clients. Since each client or employee account is managed on an individual, discretionary basis there are

rare if any instances in which members of the firm might gain unfair advantage by unethical trading practices. In the event such instance might arise, employees may not trade their own securities ahead of client trades.

Employees must comply with all state and federal laws and regulations in regard to trading in securities also held by clients. As the Chief Compliance Officer, David Maurice reviews employee trades. Personal trades for David Maurice are reviewed by Lois Carrier. Personal trading reviews ensure that such trading is not based on special knowledge or inside information and that clients of the firm are receiving preferential treatment. Employee trades are sufficiently insignificant as to have no effect on the securities markets.

### **Brokerage Practices**

CMW does not have any affiliation with investment product sponsoring firms (broker-dealers). The firm has selected TD Ameritrade Institutional Services, a division of TD Ameritrade Investor Services Inc., Member NYSE/SIPC, as its primary, qualified custodian providing trading services for client accounts. The firm does not receive or consider any economic factors benefitting it in recommending this or any other brokerage firm to its clients.

CMW recommends custodians based on demonstrated integrity and financial responsibility of the firm, best execution of orders at reasonable commission rates, and the quality of client service. The firm also makes periodic efforts to confirm that such commissions remain highly competitive and cost effective for its clients. Through CMW's non-exclusive arrangement with the custodian, TD AMERITRADE, software is made available for use by the firm to execute portfolio management. The firm does not enter into any compensation arrangements with its custodians involving benefits to the firm such as research or products in exchange for transactions ordered at the potential expense to any of its clients. CMW receives neither "soft dollars"<sup>1</sup> nor any referrals from custodians it uses thereby avoiding a potential conflict of interest through such arrangements.

CMW may benefit from electronic delivery of client information, electronic trading platforms, and other services provided by custodians for the benefit of clients. The firm reviews trade executions at custodians periodically. Trading fees charged by custodians are a part of this review. In serving our clients' best interests, CMW generally attempts to assess the cost effectiveness of various share classes including availability of non-transaction fee funds (NTF's), institutional share classes, load-waived funds, and ETF's in light of each client's account(s) and specific trading needs.

#### *Directed Brokerage*

CMW routinely recommends TD Ameritrade Institutional Services, a division of TD Ameritrade Investor Services Inc., Member NYSE/SIPC, as its primary custodian providing trading services for client accounts on behalf of its clients. Any services used in managing accounts is used throughout all advisory accounts and no attempt to direct client transactions to any broker is made in connection with the receipt of any services provided by any particular broker. CMW retains the right and has discretion to use any broker-dealer for custodial and trading services.

Clients generally do not have the option to select their own broker-dealers to custody or execute trades for accounts under the firm's management.

Prospects and clients are advised that adviser directed brokerage could prevent the firm from being able to obtain the most favorable execution of client transactions and this could cost more. On the other hand, client directed brokerage could mean that they might not be able to obtain the best execution of their trades resulting in higher cost than the adviser might be able to obtain for them. Other firms may handle brokerage practices differently than CMW.

---

<sup>1</sup> A soft dollar arrangement is a practice wherein an advisor uses client-paid brokerage commissions to obtain research or other products or services to aid the advisor in its investment decision-making process. While this practice, if properly disclosed, does not violate any regulations, we believe that participation in such arrangements poses unacceptable conflicts of interest.

### *Aggregated Trades*

CMW generally does not aggregate the purchase or sale of securities across client accounts. We intend to manage each client portfolio on an individual basis and trade each client's account independently. The securities that we recommend for client accounts are primarily open-end mutual funds or exchange-traded funds (ETFs). All mutual fund trades are executed at the close of business, regardless of the time of day at which we enter trades, and therefore trade at a consistent price. ETF prices, however, vary throughout the day. Because we may trade ETFs at various times throughout the day, clients may receive different prices for the same ETF.

From time-to-time we may identify a situation that warrants aggregating the purchase or sale of securities such as ETFs across various client accounts, usually when we are making recommendations for all or a substantial number of client accounts or when we must trade in a large number of accounts within a short time period. In this situation, aggregating orders may improve best execution for all clients involved. Aggregation may minimize market impact so that no client is disadvantaged by price movement. If we determine that aggregating orders is beneficial to clients, we will do so.

### **Review of Accounts**

With respect to investment advisory and management services, clients are generally in regular contact throughout the year by phone or in person. Either semi-annual or annual reviews are encouraged. Reviews vary in focus and may include asset allocation updates and rebalancing, performance reviews, cash flow monitoring and any changes in client risk/return attitudes or changes in their circumstances.

Reviews are usually handled either by David L. Maurice, CFP®, Lois A. Carrier, CFP® or Sasha Stewart under supervision of David Maurice; all investment recommendations require approval by David Maurice.

The firm typically reviews fund performance weekly for performance relative to peer group and selected benchmark indexes for all funds in use across client portfolios. There is also, generally, a monthly review of all accounts under regular distributions for liquidity needs and targeting for rebalance to cash needs. While account components across the firm are continuously reviewed – generally each week, at various levels, specific individual account reviews for rebalancing will typically occur at least semi-annually. The precursory review is performed by Sasha Stewart who serves on the investment committee led by David Maurice. The current total number of clients is approximately 176.

### *Review Triggers*

There are no independent triggering factors for reviews. Account reviews for Investment Management clients may be performed out of our normal routine when client objectives change, by client request, when new information about an investment vehicle emerges, when changes in tax laws or other important changes occur.

### *Reports/Performance Reporting*

Investment advisory and management clients are provided quarterly account performance statements generated from CMW's accounting and portfolio software except in the event that data to an outside investment account is not accessible for download to our reporting systems by the broker-dealer or other custodian. Quarterly reporting is currently generated by CMW using a third party portfolio accounting system. Reports generally consist of quarterly and/or year to date performance assessment of accounts and the underlying funds along with some general fund research which may vary from quarter to quarter.

### **Client Referrals and Other Compensation**

CMW has been fortunate to receive many client referrals over the years from current clients, estate planning attorneys, CPA's, employees, personal friends of employees, and other sources. CMW does not receive any economic benefit for providing investment advice from anyone other than our clients. We do not receive and do not accept sales awards or prizes. CMW does not pay or provide any type of

compensation for client referrals.

### **Custody**

#### *Account Statements*

All client assets are held at qualified custodians who provide account statements directly to clients at their address of record at least quarterly. CMW does not accept access to change clients' address of record or the ability to withdraw funds except for limited billing purposes. Clients are encouraged to carefully review statements provided by custodians. Performance Statements are provided by CMW to investment advisory and management clients which are generated from our accounting and portfolio software. (See our description under Regular Reports/Performance Reporting above).

Clients are encouraged to compare statements they receive from us to those they receive from custodians. Due to different 'as of' dates and the posting of capital gains, interest or dividends, all of which are usually set up for systematic reinvestment, some minor variances between custodial and performance statements have occurred. CMW believes any variances of this type are normal and susceptible to reasonable explanation.

### **Investment Discretion**

CMW accepts discretionary authority to manage securities accounts on behalf of clients. The firm has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Discretionary trading authority facilitates placing trades in clients' accounts on their behalf so that we may promptly implement the investment policy to which clients have agreed. Generally, clients are afforded significant opportunity for review and discussion prior to implementation of initial recommendations regarding the transfer, sale and/or purchase of securities fulfilling an agreed investment policy.

#### *Limited Power of Attorney*

CMW is only given discretionary authority by client signature of a limited power of attorney as part of application for new accounts with its custodians. For accounts not held with our primary custodians, clients may sign a separate limited power of attorney giving discretionary authority to CMW as its approved investment adviser.

### **Voting Client Securities**

Certain CMW clients may direct us to receive proxies and vote them on their behalf. These choices are defined by the client in our Investment Advisory Agreement and the Investment Policy Statement. We generally will not assume proxy voting authority for investment positions that we do not recommend to the client.

We have adopted formal proxy voting policies and procedures. We will provide to our clients, upon oral or written request, a copy of our complete proxy voting policies and procedures. Where the power to vote in person or by proxy has been delegated, directly or indirectly to us, we have the fiduciary responsibilities to:

- Vote in a manner that is in the best interests of the client, and
- Properly deal with potential conflicts of interest arising from proxy proposals that we are voting

We vote proxies related to securities held by any client in a manner that is in the best interest of the client.

We consider only those factors that relate to the client's investment policies and objectives or are dictated by the client's written instructions, including how our vote will economically impact and affect the value of the client's investment.

We intend to vote in a prudent and timely fashion and after a careful evaluation of the issue(s) presented on the ballot. A qualified investment professional designated by CMW is responsible for voting proxies in full accordance with the policies and procedures adopted by us to govern this process.

We have structured our business to eliminate opportunities for conflicts of interest to arise with respect to the management of client portfolios and the voting of proxies and ballots. Nonetheless, we have adopted procedures that ensure the integrity of our proxy voting activities. In exercising our voting discretion, we will avoid any direct or indirect conflict of interest raised by our voting decisions. If a conflict exists, we will notify the client of the nature of the conflict and ask the client for guidance about how they would like us to cast the proxy vote.

Upon written or oral request by a client, we will provide information as to how we voted the proxies related to that client's account. Clients may choose to vote proxies on their own behalf. Clients who make that election will receive their proxy voting materials directly.

### **Financial Information**

Investment advisers are required by the SEC and state regulators to disclose any financial impairment that might preclude the firm from meeting contractual commitments to clients. CMW has no financial impairments. Because CMW does not custody client funds or securities and does not require prepayment of fees of more than \$500 per client, six months or more in advance, state registration does not require a balance sheet to be submitted.

### **Requirements for State-Registered Advisers**

The following is information about Lois A. Carrier, David L. Maurice, and Harrell Webb, the principle executive officers and management persons of the firm along with their educational and business backgrounds required for state registered advisers. Two principles are also individually registered investment adviser representatives for the firm. The state of Tennessee requires passage of the UNIFORM INVESTMENT ADVISER LAW EXAMINATION (UIALE/Series 65) to serve in this capacity or, for representatives to currently hold at least one of a very limited set of professional designations at the time of registration. These professional designations are required to be fully described and follow later in this section.

#### *Educational Background and Business Experience*

Lois A. Carrier, MAT, CFP®\* President, Carrier, Maurice & Webb Wealth Advisors

- Year of Birth: 1951
- Education: East Tennessee State University, Johnson City, Tennessee, B.S., 1971; MAT, 1975, College for Financial Planning 1991-1993, CFP® Designation, 1993\*
- Business Background/Employment: Independent contractor, LPL Financial Services, Registered Representative, Investment Advisor Representative 1993 to 2005
- Gilbert, Carrier, Maurice & Benzer, Principle, Vice Pres. April 1992 to Sept. 2002
- Carrier, Maurice & Webb Wealth Advisors, Principle, President, CEO, Sept. 2002 to present

*Disciplinary or legal Information:* None

*Other Business Activities:* None

*Additional Compensation:* None

*Supervision:* Lois Carrier's compliance related activities are supervised by David Maurice. He reviews Lois' investment advisory work through frequent office interactions. He also reviews Lois' activities through the firm's client relationship management system. Lois was the subject of a personal voluntary bankruptcy petition brought on July 8, 2009. Petition was discharged and case is closed. If you have any questions regarding this item, please contact Lois Carrier at 423- 610-0099.

David L. Maurice, MDiv. , CFP®\*

Vice President, Carrier, Maurice & Webb Wealth Advisors

- Year of Birth: 1953
- Education: Milligan College, Johnson City, Tennessee, B.S., 1980; Emmanuel School of Religion, Johnson City, Tennessee, MDiv., 1983; College for Financial Planning 1993-1997, CFP® Designation, 1997 \*
- Business Background/Employment: Independent contractor, LPL Financial Services, Registered Representative, Investment Advisor Representative, 1994 to 2005
- Gilbert, Carrier, Maurice & Benzer, Inc. Principle, Secretary April 1995 to Sept. 2002
- Carrier, Maurice & Webb Wealth Advisors, Principle, Vice-President, Sept 2002 to present

*Disciplinary or legal Information:* None

*Other Business Activities:* None

*Additional Compensation:* None

*Supervision:* David Maurice's compliance related activities are supervised by Lois Carrier. She reviews David's investment advisory work through frequent office interactions. She also reviews David's activities through the firm's client relationship management system. David was the subject of a voluntary personal bankruptcy petition brought on July 8, 2009. Petition was discharged and case is closed. If you have any questions regarding this item, or any other part of this brochure please contact Lois Carrier or David Maurice at 423-610-0099.

Harrell H. Webb, AIF®\*\*

- Principal and Managing Partner, Carrier, Maurice & Webb Wealth Advisors Year of Birth: 1956
- Education: University of Tennessee, Knoxville, TN, B.S., 1986; Center for Fiduciary Studies™, AIF® November 2013\*\*
- Business Background/Employment: First American Bank, Bank Officer, Loan Operations Manager, March 1982-December 1988
- First Peoples Bank of Tennessee, Assistant Vice President, Branch Manager, Loan Officer, July 1993-December 2000
- Edward Jones, Registered Representative, February 2001-April 2003
- Independent contractor, LPL Financial Services, Registered Representative, July 2003- February 2006
- Carrier, Maurice & Webb Wealth Advisors, Principal, Managing Partner, March 2006-Present

*Disciplinary or legal Information:* None

*Other Business Activities:* None

*Additional Compensation:* None

*Supervision:* Harrell Webb's compliance related activities are supervised by David Maurice. He reviews his work through frequent office interactions. He also reviews Harrell's activities through the firm's client relationship management system.

### **Professional Certifications/Designations Disclosure**

The principle executive officers and management persons of the firm have earned and maintain certifications and credentials that regulators require to be explained in further detail in this section.

\*CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board"). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:



- Education –Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.
- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional conduct, to maintain competence and keep up with developments in the financial planning field.
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients. CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

\*\*Accredited Investment Fiduciary® (AIF®)

The AIF Designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF Designation, the individual must meet prerequisite criteria based on a combination of education, relevant industry experience, and/or ongoing professional development, complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the Code of Ethics and Conduct Standards. In order to maintain the AIF Designation, the individual must annually attest to the Code of Ethics and Conduct Standards, and accrue and report a minimum of six hours of continuing education. The Designation is administered by the Center for Fiduciary Studies, the standards-setting body of fi360.