

Item 1 – Cover Page

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The purpose of this brochure is to disclose to you what we do and who we are at CWM, LLC (CWM). Knowing these elements will allow you to use the services we offer far more effectively. If you have any questions about the contents of this brochure, please do not hesitate to contact us at the telephone number listed above.

CWM is a United States Securities and Exchange Commission (SEC) registered investment advisor. Oral and written communications of an advisor provide you with information about whether you decide to engage an advisor. The advisory services described in this brochure are not insured or otherwise protected by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency and involves risk, including the possible loss of principal.

The information in this brochure has not been approved or verified by the SEC, or by any state securities authority. Additional information about CWM is also available on the Internet at www.adviserinfo.sec.gov. You can view CWM's information on this website by searching for CWM, LLC. You may also search for information by using CWM's CRD number, 155344.

Item 2 – Material Changes

CWM, Doing Business As (DBA), Carson Wealth Management Group, is an affiliate of Carson Group, Inc. Ronald L. Carson is the majority shareholder.

Mr. Brad Grubb, President of CWM, formally left the firm in March 2014. Mr. Grubb's responsibilities were aligned with Executive Management already accountable for similar functions in their current roles.

In March, 2014, Mr. Donald Hagan, partner of Day Hagan Asset Management, joined CWM's Investment Committee as a consultant. Mr. Hagan provides additional depth to the disciplined, tactical and diversified approach to portfolio construction.

Ms. Ruth Howell joined CWM in March, 2014 as Chief Compliance Officer (CCO) after the departure of former CCO, Mr. Lance Simpson also in March, 2014.

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Item 4 – Advisory Business

CWM is a registered investment advisor based in Omaha, Nebraska. The firm was formed in November 2010 as a Limited Liability Company (LLC) under the laws of the State of Nebraska.

As used in the brochure, the words, “we,” “our,” and “us” refer to CWM and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our firm. In addition, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

Principal Owners

Carson Group, Inc. owns CWM. The majority shareholder of Carson Group, Inc. is Ronald L. Carson.

Primary Advisory Services

Asset Management Services

Our main focus is to manage investment portfolios for individual clients, high net-worth families, foundations, endowments, and institutional investors. We also provide personal financial planning and investment advice. Our investment plans are designed to work with our clients’ financial goals, objectives and risk tolerances.

Before we assess any fees or provide formal advice, we will provide you with an Investment Advisory Agreement (“Agreement”) for your review, understanding and signature. The Agreement includes the terms and conditions under which your assets will be managed. Your execution of the Agreement authorizes our firm to determine the specific securities, and the amount of securities to be purchased or sold for your account without your approval prior to each transaction. The Agreement will remain in effect between you and us until terminated by either party in writing according to the terms contained in the Agreement. In the event a conflict exists between the Agreement and our Form ADV, the Form ADV shall prevail.

The Agreement will include schedules of the investment accounts you wish us to manage, the specific fees we propose to charge and how we propose to bill and collect those fees. You also have the ability to impose limits on investment selections and sectors.

Advisory accounts will be held at the following qualified Custodians: Charles Schwab Institutional Services, TD Ameritrade Institutional Services, or LPL Financial (individually, a “Custodian”). The client must designate CWM as its Investment Advisor Representative (“IAR”) on their accounts. The client’s qualified Custodian will maintain actual custody of all client funds and securities.

Custodians are also broker dealers, and they may have different account fees, execution charges and capacities. If you choose a different Custodian other than the one selected by us, you may pay higher account-related fees and execution charges. This may occur because custodial services are based on several factors. Factors may include, but are not limited to: cost, expected level of asset safety, client confidentiality, communication and reporting. We base all decisions on the individual investment circumstances of each client.

We may choose to use asset-based pricing if we find that it reduces our client's cost.

Types of Investments

We offer advice on a wide range of securities, including, and not limited to:

- Exchange-listed securities
- Securities traded over-the-counter
- Exchange Traded Funds (ETFs)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable Annuities (but not the evaluation of any non-investment management aspects of annuities or other insurance products)
- Mutual fund shares
- United States government securities
- Options contracts on securities and commodities
- Futures contracts on tangibles and intangibles
- Interests in partnerships investing in real estate, and oil and gas interests
- Managed futures
- Shorting
- Private Equity

We avoid market timing, but may increase cash holdings when necessary. This decision is strategy centered and on our expectations of market behavior.

Our IARs must pass the necessary industry examinations and registrations. Unless they possess equivalent satisfactory portfolio management experience, IARs must attain established firm or industry experience levels. For further information on our IARs, please request a copy of their individual brochures. These individual brochures can also be found on <http://www.sec.gov/investor> identified as Form ADV Part 2B.

Investment Management Strategies

Our firm seeks to create a balance between risk and reward over a given time period. This typically involves employing a diverse mixture of securities. We rely on quantitative, technical and fundamental analysis. We feel that combining the strengths of these strategies helps us to gauge the direction in which your investments might be headed.

Based on the information you provide us, we consider multiple time horizons, (long, medium, and short term) when determining investment strategies. Depending on our clients' needs, we may engage in a variety of risk management strategies. We believe our risk management tools distinguish us from others in the investment advisory marketplace.

Financial Planning Services

CWM provides personal financial planning services consistent with a client's financial status, investment objectives and tax status. When you retain the financial planning services of our firm, we meet with you to gather information about your financial background, circumstances to consider and goals and objectives. Once we determine your long-term objectives (both financial and non-financial), we develop short-term, targeted objectives. At that point, we review and analyze the financial information you provided to us and deliver to you a written financial plan. The financial plan may include information regarding retirement planning, education planning, planning for major purchases, life and disability insurance needs, long-term care needs and estate planning issues. The financial plan is designed to assist you in achieving your stated goals and objectives. *You are under no obligation to act on our financial planning recommendations.* Financial plans are based on your financial situation at the time we prepare the plan and on the financial information you provide. You must promptly notify us if your financial situation, goals, objectives, or needs change.

When the scope of the financial planning services has been agreed upon, the applicable fee is determined. The firm has a one-time fee for the financial plan equal to 20 basis points (0.20%) of the financial plan's total assets. New and existing CWM clients who transfer assets to CWM for advisory services within six (6) months of the delivery of the financial plan shall receive a reduced fee of 10 basis points (0.10%) of the financial plan's total assets. The fee for the financial plan as stated herein is subject to a minimum Three Thousand Five Hundred and No/100 Dollars (\$3,500.00) fee. Adjustments to the fee for the financial plan for clients who transfer assets to CWM for advisory services within six (6) months of the delivery of the financial plan will be credited to the client's CWM account within two (2) weeks of such transfer.

You may elect to periodically update your financial plan during the term of the financial planning services as identified on the Financial Planning Agreement. There shall be no further fee required for clients electing to update their financial plan through CWM during the term of the financial planning services.

Tax services are offered separately. CWM has Certified Public Accountants who provide their services through a division of the firm, Carson Wealth Tax Planning. You may want to consider utilizing these services when determining the amount of taxes that you should withhold from any liquidation, sale, or stream of income. Investment portfolio taxation is a complex area with many tax rates and offsetting factors. Some of those factors change from year-to-year as tax laws and IRS interpretations of the laws change. In our opinion, as the size of your portfolio increases, so does your need for the advice and assistance provided by a qualified tax professional.

Consultation Services

We may offer separate, modular consultation services and provide general investment advice or guidance to clients with no expectation for investment management. Our consulting services may include:

1. A review of the client's current investment portfolio prepared by a non-CWM entity;
2. A review of the client's comprehensive financial plan or any portion thereof, prepared by a non-CWM entity;
3. The discussion of investments in general or a generic investment portfolio with the client, not involving any specific investment recommendations;

4. A review of a client's current retirement plan, estate plan, or college funding plan;
5. A review of financial documents at the request of other professionals, including but not limited to, attorneys and accountants.

Consultation services do not include recommendations on, nor does it obligate the client to purchase, specifically named investments or insurance products. Clients are not obligated to use CWM to purchase specific securities or insurance products. Clients will be charged an hourly fee that does not exceed \$300. Depending on the depth and complexity of the services to be provided, this fee may be negotiable. Recommendations developed by the IAR are based upon the professional judgment of the IAR and neither CWM nor its IAR can guarantee the future results of these recommendations.

After the consultation is complete, CWM's obligation to the client will terminate, and neither CWM nor its IARs will be under any obligation to update or to monitor the clients' investment and insurance portfolios discussed during the consultation services.

Client Assets Managed by CWM

On June 30, 2014, CWM's total assets under management are \$1,898,875,491.00. Managed assets are \$1,806,808,827.00 in discretionary assets for 7216 accounts and \$92,066,664.00 in non-discretionary assets for 177 accounts.

Assets under Advisement (AUA) by CWM

On June 30, 2014, CWM assets that an advisor provided consulting and/or financial planning services, but does not have any management, execution or trading authority and AUM were \$ 4,597,304,255.00.

Item 5 – Fees and Compensation

This section provides details about the fees and compensation arrangements of each of our services.

Asset Management Fees

Our standard management fee schedule is provided in the following section. Fees are based on the aggregate amount of all household client assets held under management. The determination of the fee also includes the client's financial situation, assets under management, and the complexity of the services rendered.

Tiered Billing Fee Schedule

The fee schedule identifies specific tiers of the account value and assesses fees at different rates. When calculating our fee, we compare the total account value to the fee schedule below, or otherwise stated in the Investment Advisory Agreement.

<u>Assets under Management</u>	<u>Annual Fee</u>
First \$2,000,000	2.00%
\$2,000,000 - \$5,000,000	1.55%
\$5,000,000 - \$25,000,000	1.00%
\$25,000,000 - \$50,000,000	0.90%
\$50,000,000 Plus	0.80%

For example: For a typical account valued at \$5 million dollars, we bill the first \$2 million at 2.00% and bill the next \$3 million at 1.55%.

Please note that the pricing outlined in the above schedule are standard firm fees for assets under our management. Our fees might be higher or lower than fees charged by other financial professionals offering similar services.

Billing Cycle

We bill the annual advisory fee on a quarterly basis and in advance, at the start of the calendar quarter. Fees are based on the value of the account on the last business day of the previous quarter. The fee will be pro-rated based on the number of days the account is open during the period as well as in arrears for transactions in the amount of \$100,000 or more for outflows to the account and in the amount of \$1,000 or more for inflows to the account. New accounts with CWM are billed on a monthly basis until the first quarterly cycle is completed and quarterly thereafter. You may elect to have the quarterly fee charged to one account, or split between other accounts, or you may elect to pay us by check. We prefer to charge your accounts directly. The Custodian will send client statements at least quarterly, showing all payouts from the account including the advisory fee, if deducted from the account.

An Agreement must be completed to engage in advisory services. The agreement may be cancelled at any time. We will provide a copy of this brochure (Form ADV, Part 2A) to you before or with the execution of the Agreement. If you did not receive this disclosure at least forty-eight (48) hours before executing the Agreement, then you will have five business days subsequent to executing the Agreement to terminate the Agreement without penalty or fees. If services are cancelled after the first five days, then the final fee will be pro-rated. The amount is based on the number of days of service provided during the current quarter. Effective with the date of termination, we shall refrain, without liability or obligation, from taking any further action in your Account(s). In addition, from the date of termination, we will cease to be entitled to receive fees. If a contract is terminated after fees have been collected for a given period, a prorated refund of such fees will promptly be paid to you for that period. This cancellation will be subject to any changes related to the settlement of transactions in progress and the final payment of advisory fees.

Third Party Charges

Our fees do not include the third party custodial or execution charges. Examples of these fees include trading charges for odd-lot differentials and exchange fees, fixed income transactional charges, including mark-ups, mark-downs, commissions, and dealer profits. A third-party may also impose charges for special services elected by their clients: electronic fund wire transfers, certificate delivery, American Depository Receipt (ADR), and transfer taxes mandated by law.

Retirement Plan Providers

Our fees do not include the administrative costs for a qualified retirement plan. Third party service providers charge these fees under separate agreements with the plan or plan sponsor.

Mutual Fund & Exchange Traded Funds (ETFs) Fees

Each fund describes its fees in detail in its prospectus. The fund's expense ratios typically include the charges and are paid by the fund's shareholders. CWM only recommends funds with share classes having no sales charges.

Mutual funds recommended by us may be available directly from the fund company or through another financial service provider. Non-advisory accounts typically have upfront or backend charges. Please refer to each fund's prospectus. We may offer funds or share classes of funds that you may not be qualified to purchase outside of our firm.

If you terminate your account with us, CWM may liquidate or exchange these investments for the share class corresponding to the size of your individual investment in the fund. Dollars received from the redemption of fund shares outside of our management may have tax consequences or additional costs from sales charges and or redemption fees. Such redemption fees would be in addition to our fee.

Some or all of the services available through us may be available through other companies at a different cost. Please review the factors that determine the charges and how the services are calculated. Some factors to consider include the size of your account, type(s) of your account(s), transaction charges and the range of advisory services and ancillary charges of each.

Carson Institutional Alliance

Launched in 2012, Carson Institutional Alliance is a program designed to present independent investment advisors the opportunity to join CWM and have access to various resources typically only available to CWM advisors. These resources may include investment management, marketing, technology, operations and compliance. If your advisor joins CWM, the advisory firm becomes CWM, and the DBA of your advisor may differ. Carson Institutional Alliance assists advisors to align with and operate through CWM. Fees to the advisor range from 45 to 85 basis points (.45% to .85%) dependent upon AUM, services provided, and the advisor's business model.

Item 6 – Performance-Based Fees and Side-by-Side Management

We do not charge or receive performance-based fees. Performance-based fees are fees based on a share of capital gains on or the capital appreciation of your assets. We do not conduct side-by-side management situations where a combination of asset based and performance fees are collected.

Item 7 – Types of Clients

We offer investment advisory services to a wide variety of clients including, but not limited to, individuals including those with high net worth, and individuals who are considered a “qualified client” under Rule 205-3 of the Investment Advisors Act of 1940, or is a “qualified purchaser”, pension and profit sharing plans (other than plan participants), trusts, estates, 401(k) sponsor plans and Individual Retirement Accounts (IRA, SEP, ROTH IRA,), charitable organizations, corporations and other business entities, including sole proprietorships.

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

CWM’s Investment Committee (Committee) uses industry standard techniques that include technical analysis and fundamental analysis. The Committee may engage various types of execution tactics like long term buys, short term buys, shorting stock, and option strategies to achieve it’s objectives. Each model engages in its own type of techniques, execution tactics and use of research tools to enhance the ability to manage its assets effectively to its stated philosophy. Examples of industry research sources and publications used by the firm include Thomson Reuters, Telemet Orion, Dow Jones News, New York Stock Exchange (NYSE), NASDAQ, and AMEX.

Active Management of Strategies

The Committee (“Committee”) is lead by Ronald L. Carson is the Chief Investment Strategist and Mark Lookabill, the Co-Chief Investment Strategist. The members are comprised of portfolio managers and knowledgeable, experienced investment professionals. The Committee and the portfolio managers actively manage to each model’s investment objective, driven by its investment philosophy and style. The AP and AP20 investment strategies are managed collectively by the members of the Committee. The remaining models are run by individual managers.

The Committee communicates weekly to evaluate current economic and market conditions, identify evolving trends and gauge inflows and outflows of cash. Based on its analysis and other portfolio related considerations, the Committee or its individual managers direct adjustments as needed.

The Committee continues to examine our clients’ investment needs and monitors and/or develops investment strategies to align with their goals and objectives. To expand and diversify our offerings, the Committee has hired selected sub-advisors. Each sub-advisor presents our clients with a unique strategy and management style

Sub-Advisor Due Diligence

Due diligence is performed on sub-advisors prior to entering into a portfolio management agreement with the firm. The due diligence process involves careful considerations of portfolio manager’s qualifications, expertise, financial stability, regulatory history, performance results, fees and the value of the offering brought to our clients. Other factors reviewed include, but are not limited to, the transparency in the sub-adviser’s investment management process including research, risk tolerance allowed to meet performance expectations, tools employed to manage risk and proper controls to mitigate drift from investment style, objectives and philosophies.

Although the due diligence is ongoing, on an annual basis, key information is requested from the sub-advisers to ensure the most current information is on file and also for the firm review. CWM retains the discretionary authority to hire and fire its sub-advisors.

Strategy Summaries

Advance & Protect Strategy

The Advance & Protect Strategy is designed for clients with irreplaceable capital, as defined by the clients, who seek capital preservation over appreciation. The objective is to secure gains in advancing markets and to protect capital in sideways to negative markets. The tactical nature of the Advance & Protect Strategy allows the manager to include a wide range of styles and strategies with a focus on low-volatility and total return over market cycles – both short-term and long-term.

- Investors must emphasize risk management
- Managers need to use a larger playbook and broaden the range of investment options
- Combines fundamental research conducted by internal team of analysts with technical and quantitative data to ensure adequate risk protection

Investment Minimum: \$100,000

Investment Objective: Growth with Income

Investment Horizon: Minimum of 3 years

AP20 Strategy

The AP20 Strategy is designed for clients that seek to achieve capital appreciation over a full market cycle while reducing the volatility within the strategy. AP20 utilizes the same proven, 4-step process of the Advance & Protect Strategy and also allows increased market exposure due to a larger risk budget. The objective is to participate in advancing markets and to limit volatility in sideways to negative markets. The tactical nature of AP20 allows the IC to include a wide range of styles and strategies with a focus on reduced volatility and total return over market cycles – both short-term and long-term.

- Investors must emphasize risk management
- Managers need to use a larger playbook and broaden the range of investment options
- Combines fundamental research conducted by internal team of analysts with technical and quantitative data to ensure adequate risk protection

Investment Minimum: \$100,000

Investment Objective: Growth with Income

Investment Horizon: Minimum of 3 years

All Seasons Tactical Strategy

The All Seasons Tactical Strategy was developed as a smaller account solution that utilizes ETFs. Most investors tend to be moderate investors until there is a big correction or large run up in the market. Then, investors typically transform from conservative to aggressive. The All Seasons Tactical strategy is designed to help navigate this type of emotional investing.

- Navigates the changing seasons in the market
- Follows the same methodology as the Law of Supply & Demand - If demand increases, consumers are driven to purchase and therefore, cost increases
- Provides a rules-based strategy in order to lessen emotional investment behavior
- Determines areas with the most relative strength - the measurement of performance relative to a benchmark or to the rest of the universe

Investment Minimum: \$5,000

Investment Objective: Growth

Investment Horizon: Minimum of 3 years

Day Hagan Tactical Dividend Strategy

The Day Hagan Tactical Dividend Strategy is a sub-advised portfolio which views dividends as an objective, controlled means of valuation, as earnings are often subjective and uncorrelated to future corporate performance. Companies that have a history of consistent dividend payouts, balance sheet strength and sound corporate fundamentals have proven resilient to downturns and are considered valuable during up-moves.

- Tactically allocates assets based on the "weight-of-the-evidence" – an approach that considers the highest probability of success and believes that cash should be utilized as a defensive asset class when suitable "buy" candidates are not available.
- Diversification is important; single industry exposure is limited to 20% of the portfolio at cost and single equity exposure is limited to 5% of the portfolio at cost.
- Favors industries with relatively high dividend yields, low debt, strong cash flows, good margins and the ability to maintain and grow the dividend payout. Fundamental screens eliminate companies with questionable balance sheets.
- Utilizes long-only stock market exposure, attempts to minimize portfolio turnover (thus providing tax-efficiency) and allows for daily liquidity and transparency.

Investment Minimum: \$100,000

Investment Objective: Growth

Investment Horizon: Minimum 3 years

Income with Moderate Growth Strategy

The Income with Moderate Growth Strategy is a combination of All Season Tactical (40%) and Tactical Income (60%).

Investment Minimum: \$5,000

Investment Objective: Income with moderate growth

Investment Horizon: Minimum of 3 years

Balanced Strategy

The Balanced Strategy is a combination of All Seasons Tactical (60%) and Tactical Income (40%).

Investment minimum: \$5,000
Investment Objective: Growth with Income
Investment Horizon: Minimum 3 to 5 years

Fixed Income Strategy

The Fixed Income Strategy invests in a broadly diversified portfolio of Fixed Income ETFs to provide current income. The strategy has exposure through the use of ETFs, U.S. government bonds, investment grade corporate bonds, mortgage-backed securities, international bonds and other fixed income securities.

- Primary investor objective is portfolio income.
- Use of ETFs is with the goal of reducing internal expenses of the strategy while providing daily liquidity.
- The strategy seeks to be broadly diversified across a number of types of fixed income securities.

Investment Minimum: \$25,000
Investment Objective: Income with Capital Preservation
Investment Horizon: Minimum of 3 years

Diversified Tactical Strategy

The Diversified Tactical Strategy is comprised of actively managed, no-transaction fee mutual funds. Its objective is to achieve long-term, risk-adjusted growth of principal with an added focus on current income through full market cycles. Technical analysis is used to determine the buys and sells in this strategy.

Selected funds representing specific asset classes, sectors, industries or themes will be utilized in the strategy. The manager will periodically re-allocate the strategy based upon long term strategic investment opportunities. Some holdings in the Diversified Tactical Strategy may also be found in other strategies.

Investment Minimum: None
Investment Objective: Growth with Income
Investment Horizon: Minimum of 3 years

Diversified Growth Strategy

The Diversified Growth Strategy is comprised of actively managed, no-transaction fee mutual funds. Its objective is to achieve long-term, risk-adjusted growth of principal through full market cycles. Selected funds representing specific asset classes, sectors, industries or themes will be utilized in the strategy. The manager will annually allocate the strategy based upon long term strategic investment opportunities. Some holdings in the Diversified Growth Strategy may also be found in other strategies.

Investment Minimum: None
Investment Objective: Growth

Investment Horizon: Minimum of 5 years

Perennial Growth Strategy – Long Only

The Perennial Growth Strategy – Long only is a concentrated stock portfolio for clients with longer investment time horizons that seek capital appreciation over preservation. The objective is to outperform the S&P 500 on the upside and limit downside moves. It invests in stocks that are underappreciated relative to their long-term potential (3-5 years) and subject to near-term catalysts. This strategy invests in companies that should benefit from unique secular trends that can drive growth during times of weak economic conditions. It also seeks companies that have strong balance sheets, high returns on capital, and competitive advantages that enable them to gain market share profitably.

The Perennial Growth Strategy – Long only mostly consists of small to mid-cap stocks.

Investment Minimum: \$25,000

Investment Objective: Aggressive Growth

Investment Horizon: Minimum of 5 years

Perennial Growth Strategy – Long/Short

The Perennial Growth Strategy – Long/Short is managed in a very similar fashion to the Perennial Growth Strategy – Long only except that it can short stocks to guard against market declines during periods of volatility.

Investment Minimum: \$25,000

Investment Objective: Aggressive Growth

Investment Horizon: Minimum of 5 years

Long-Term Trend Strategy

The Long-Term Trend Strategy consists of a concentrated portfolio of equities that are selected based upon attractive fundamentals and is positioned to benefit from long-term secular trends identified by the IC. Positions are taken with the intent that they can be held over prolonged time frames (a minimum of 3 – 5 years). Turnover and taxes should be kept to a minimum; the positions will be sold if they become significantly over-valued or if the fundamental picture has considerably changed.

- Identify long-term secular themes (see above as in the Advance & Protect Strategy),
- Fundamental research on stocks (and possibly ETFs) that are best positioned to benefit from such trends, and
- Continually monitor price and fundamental developments.

You need to be aware that this strategy is not the Advance and Protect Strategy. It does not use hedges, so the downside risk is theoretically unlimited. Technical indicators will not be used. It does not attempt to “time” the market and will not be as liquid (smaller market capitalizations could result in thinner trading volumes).

Investment Minimum: \$25,000

Investment Objective: Growth
Investment Horizon: Minimum of 3 to 5 years

Tactical Income Strategy

The Tactical Income Strategy is a portfolio of mutual funds or ETFs (6 – 7 positions) designed for a client with an investment objective of Income with Capital Preservation. The portfolio is designed to generate income for the client while focusing on low volatility and total return over market cycles. The objective is to secure gains in advancing markets and to protect capital in sideways to negative markets.

The portfolio is tactical in nature and will attempt to invest in those asset classes and sectors that have outperformed the broad market and are currently in favor. Each mutual fund or ETF will represent between 10 – 15% of the total amount invested. The Investment Committee has the ability to invest across multiple asset classes in the attempt to capture yield and total return. This strategy also has the ability to utilize heavy cash positions or market neutral funds to limit market risk.

Minimum Investment: \$5,000
Investment Objective: Income with Capital Preservation
Investment Horizon: Minimum 3 to 5 years

Swan Defined Risk Strategy (DRS)

The Swan Defined Risk Strategy is an index-based strategy sub-advised by Swan Wealth Advisors. The DRS strategy is an absolute return, market-neutral strategy that does not rely on market timing or stock selection. The DRS strategy invests in the S&P 500 Index or SPDR Selects ETFs and options trading. 85 – 90% of invested assets are placed in equities that include 9 equal-weighted S&P 500 Sector ETFs. The remaining 10-15% of invested assets is placed in long put options which are bought at or near the money and sized to give the client a defined risk of 7-10% maximum loss. If the market drops in value, the put option increases in value. Options on these indexes are additional primary components of the strategy and are used to protect the main holdings from down markets and to generate monthly income for the portfolios. Multiple adjustments and liquidation points are incorporated to minimize risk and maximize the frequency and size of the monthly returns.

If you choose the DRS management strategy, please be advised that Swan will charge you a separate annual management fee for assets under management for the management and implementation of the strategy. Accounts opened for this strategy will be custodied at TD Ameritrade. This fee is in addition to the advisory fee paid to CWM.

Minimum Investment: \$100,000
Investment Objective: Conservative
Investment Horizon: Minimum of 3 years

Morrocroft Neighborhood Stabilization Funds

CWM's CEO, Ron Carson, is a limited partner in the Morrocroft Neighborhood Stabilization Fund L.P.I, a limited partnership formed under the laws of the state of Delaware ("Fund"). The Fund is a pooled investment vehicle that is being offered to *qualified purchasers* pursuant to Regulation D under the

Securities Act of 1933, as amended. The Fund also relies on an exemption from registration under the Investment Company Act of 1940. Given the client's investment objectives, financial situation and the minimum qualifications required by the Fund, we may recommend an investment in a Morrocroft Fund.

Investment in the Fund involves a heightened degree of risk. The relevant information, terms and conditions of an investment in the Fund, including the management fee to be paid to the manager, suitability considerations, the Fund's investment strategy and risk factors, are described in the Fund's documents. Those documents include the Private Offering memorandum, Partnership Agreement, Subscription Agreement, and other important materials or forms, which each subscriber is required to receive and/or execute prior to being accepted as a limited partner of the Fund.

Minimum Investment: \$100,000
Investment Objective: Aggressive Growth with Income
Investment Horizon: Long Term

Write Income

The Write Income Strategy is solely focused on generating yield through dividends and writing covered calls with a focus on delivering a high single-digit yield. This strategy is comprised of firms that have sustainable business models, attractive balance sheets and strong cash flow generation with a history of sustaining and increasing dividends over time. For investors that need their investments to produce a stream of income historically provided by fixed income, Write Income may be ideal for your portfolio.

- Invests in high quality companies with a history of dividends
- Features covered call writing for potential income generation
- The yield from dividends and option income can provide a "buffer" against a market decline
- Internal team of analysts provides in-depth knowledge of investment holdings

Investment Minimum: \$200,000
Investment Objective: Growth with Income
Investment Horizon: Minimum of 3 years

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. You also must understand that past performance is not indicative of future results. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk.

The following are examples of investment risks investors may face:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security, option, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it – a lengthy process – before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if there is a high interest in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** The possibility that shareholders will lose money when they invest in a company that has debt if the company's cash flow proves inadequate to meet its financial obligations. When a company uses debt financing, its creditors will be repaid before its shareholders if the company becomes insolvent. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money.

Asset Management Programs

We are the sponsor of the Strategic Wealth Management 2 Program ("SWM Program"), a wrap fee or non-wrap fee asset management program developed through an arrangement using LPL Financial Corporation's ("LPL") Strategic Wealth Management platform. Through the SWM Program, we provide investment management services, including providing continuous investment advice to and making investments for you based on your individual needs. Through this service, we offer a customized and individualized investment program. A specific asset allocation strategy and suitability profile is crafted to focus on your specific goals and objectives. The IPS defines your risk tolerance and investment objective. Your information should be updated regularly, but at a minimum every 2 years.

SWM Program accounts are custodied at LPL in its capacity as a registered broker/dealer, member FINRA/SIPC. LPL is also an investment advisor registered with the SEC, but does not serve as an investment advisor for you through the SWM Program. LPL provides clearing, custody and other brokerage services for accounts established through the SWM Program. Therefore, you are required to establish a brokerage account(s) through LPL's Strategic Wealth Management platform. Separate accounts are maintained for you, and you retain all rights of ownership of you accounts (e. g., the right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

SWM Program accounts allow you to authorize us to purchase and sell, on either a discretionary basis or non-discretionary basis, portfolios consisting of securities and investments. We may limit our discretion with respect to your account and the securities eligible to be purchased for your account. *(See, Limits Advice to Certain Types of Investments at Item 6, Portfolio Manager Selection and Evaluation elsewhere in this Disclosure Brochure.)*

With discretionary authority, we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority. Discretionary authority is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian. You have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. You may also place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement. *(Please see Item 16, Investment Discretion for additional information concerning discretionary authority.)*

During any month that there is activity in the SWM Program account, you receive a monthly account statement from LPL showing account activity as well as positions held in the account at month end. Additionally, you receive a confirmation of each transaction that occurs within the SWM Program account unless the transaction is the result of a systematic purchase, redemption or exchange. You also receive a detailed quarterly report showing performance, positions, and activity. All account data and statements are also available on-line through the account view portal through LPL.

You may incur certain charges imposed by third parties other than CWM in connection with investments made through the account including, but not limited to, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. Our management fees (which include transaction and execution fees charged by LPL for SWM Program II accounts) are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus. Our representatives, in their separate capacity as registered representatives of LPL, may retain a portion of the commissions charged to you. These commissions may include 12b-1 fees, surrender charges and IRA and qualified retirement plan fees.

The SWM Program I and SWM Program II may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a brokerage account rather than a SWM Program I or SWM Program II account.

We do not always charge a lower advisory fee for SWM Program I accounts versus SWM Program II accounts. The cost for a SWM Program II account is typically higher than a SWM I Program. This is because transaction costs are passed along to you in SWM Program I accounts while the transaction costs are covered under the overall fee charged for SWM Program II accounts.

Manager Select Access

CWM offers advisory services by referring clients to a third-party money manager offering asset management and other investment advisory services. The third-party managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary. As a result of the referral, we are paid a portion of the fee charged and collected by the third-party money managers in the form of solicitor fees. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

Under this program, we assist you with identifying your risk tolerance and investment objectives. We recommend third-party money managers in relation to your stated investment objectives and risk tolerance, and you may select a recommended third-party money manager or model portfolio based upon your needs. You must enter into an agreement directly with the third-party money manager who provides your designated account with asset management services. We are available to answer questions that you may have regarding your account and act as the communication conduit between you and the third-party money manager.

The third-party money manager may take discretionary authority to determine the securities to be purchased and sold for your account. We do not have any trading authority with respect to your designated account managed by the third-party money manager.

While we review the performance of numerous third-party investment advisor firms, we have entered into a relationship LPL and will only recommend the programs described below. Any third party investment advisors recommended by us must be registered or exempt from registration in the state where you reside. You are advised that our representatives may have a conflict of interest by only offering those third party investment advisors that have agreed to pay a portion of their advisory fee to us. You are advised that there may be other third party managed programs that may be suitable to you and that may be more or less costly. No guarantees can be made that your financial goals or objectives will be achieved. Further, no guarantees of performance can be offered. Investments involve risk, including the possible loss of principal.

Optimum Market Portfolios

We have entered into an arrangement with LPL to provide services through the Optimum Market Portfolios Program (“OMP”), a wrap-fee program sponsored by LPL. If you contract for this service you must establish a brokerage account through LPL which serves as the broker/dealer and qualified custodian. OMP offers clients the ability to participate in a professionally managed asset allocation program using OMP Funds Class I shares.

We obtain your necessary financial data and assist you in determining the suitability of OMP and in setting an appropriate investment objective. We assist you with opening an account and determining an investment portfolio. Once the program minimum has been reached and a portfolio selected, LPL purchases OMP funds in amounts appropriate for the portfolio selected. LPL is responsible for rebalancing the account on the frequency selected jointly by you and us. There are several OMP funds that may be purchased within an OMP account. LPL follows a strategic asset allocation investment style in constructing portfolios for OMP clients. Asset allocation methodology is implemented by combining

investments representing various asset classes that reflect differently to varying market conditions. Thus, if one asset class reacts negatively to certain market events, the potential exists for another asset class to react positively. However, there is no guarantee that the use of an asset allocation strategy will produce favorable results. We are responsible for providing you with information about the investment strategy and the portfolios selected for you.

LPL will directly provide you with quarterly account statements (monthly when activity occurs in the account), confirmations and performance reports.

Model Wealth Portfolios

We have entered into an arrangement with LPL to provide services through the Model Wealth Portfolios (“MWP”) program, a wrap-fee program sponsored by LPL. If you contract for this service you must establish a brokerage account through LPL which serves as the broker/dealer and qualified custodian. MWP offers clients a professionally managed mutual fund asset allocation program in which LPL, in its capacity as an investment advisor, and we direct and manage specified client assets. A minimum account value of \$100,000 is required for MWP.

We obtain your necessary financial data and assist you in determining the suitability of MWP and in setting an appropriate investment objective. We assist you in opening an account and determining an investment portfolio designed by LPL’s Research Department. LPL’s Research Department is responsible for selecting the mutual funds within a portfolio and for making changes to the mutual funds selected. In certain cases a portfolio may consist only of mutual funds within the same fund family. In such a portfolio, LPL’s Research Department will select only those mutual funds within the fund family.

You must grant CWM discretionary authority to select the portfolios suitable for you and must grant LPL discretionary authority to select investments held within portfolios and rebalance positions within the portfolios.

LPL follows a dynamic asset allocation investment style in constructing portfolios for MWP clients. Asset allocation methodology is implemented by combining investments representing various asset classes that respond differently to varying market conditions. Thus, if one asset class reacts negatively to certain market events, the potential exists for another asset class to react positively. However, there is no guarantee that the use of an asset allocation strategy will produce favorable results. We are responsible for providing you with information about the investment strategy and the portfolios selected for you.

You receive quarterly account statements (monthly when activity occurs in the account), confirmations, and performance reports directly from LPL.

Manager Access Network (MAN)

The MAN program is designed for hybrid advisory representatives. It is operated on a dual contract basis, which means that you contract directly with us for portfolio management and with your non-LPL advisor who provides advisory services such as asset allocation, and account monitoring. LPL’s services under MAN are solely for brokerage, custodial and related administrative services. The advisory firm

sets their annual advisory fees, and LPL charges a program fee. These fees, along with portfolio manager fees, are deducted from your account by LPL.

Variable Sub-Account Management Services

Under our sub-account management services, CWM manages your variable annuity or variable life contract by selecting, monitoring and exchanging as necessary between sub-accounts available from the insurance company issuing the variable annuity or variable life contract.

Under this program, we assist you in completing a questionnaire which details your financial goals, risk tolerance and time horizon. You will have the opportunity to list on your investment advisory agreement with our firm any reasonable restrictions on the sub-accounts that may be utilized by CWM. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives.

Once you have provided us with the necessary information and made the appropriate authorizations, CWM utilizes limited discretionary authority to select or exchange among the sub-accounts available under your variable annuity or variable life contract in accordance with your disclosed investment objective and risk tolerance. CWM may utilize signal providers for guidance regarding investment strategies, asset allocations and timing of exchanges. CWM will monitor your sub-accounts and exchange sub-accounts as necessary and in accordance with your investment objective and risk tolerance.

Under this program, you will incur an annual investment advisory fee, which is based upon a percentage of the market value of your variable annuity and variable life contract under the management of CWM. Your investment adviser representative has the authority to negotiate the annual fee, and consequently, the annual fee charged by your investment adviser representative may be different than the annual fee negotiated by another investment adviser representative of CWM. The exact annual fee charged by CWM will be agreed upon prior to commencing services and stated in the client agreement. The following is the maximum fee schedule that your investment adviser representative may charge you for this service:

Maximum Fee Schedule

CWM reserves the right to modify its fee schedule in the future by providing you with 30 days advance notice of any modification.

The annual fee is paid quarterly in advance and is calculated and due based upon the total value of your variable annuities and variable life contracts under management as of March 31, June 30, September 30 and December 31. The quarterly fee payments for the first and last billing periods are pro-rated to reflect the actual days that your variable annuities and variable life contracts were subject to management by CWM.

You will pay the investment advisory fees directly to CWM upon receipt of the quarterly invoice.

Under this program, the insurance companies issuing your variable annuities and variable life contracts will charge management expenses in addition to the investment advisory fee charged by CWM. In addition, your variable annuity and/or variable life contract may be subject to exchange fees and surrender charges. CWM does not share in these fees charged by your insurance company. Please refer to the prospectus of your variable annuity and/or variable life contract for more details about the insurance company's management expenses and any exchange or surrender fees.

In the event that your investment adviser representative sold you the variable annuity and/or variable life contract in his or her separate capacity as a registered representative of a broker-dealer, your investment adviser representative most likely received commission and/or trail compensation for this transaction. This sales compensation is separate from and in addition to any investment advisory fee charged by CWM. If your investment adviser representative received a commission for selling you a variable annuity or variable life contract, CWM will not accept your variable annuity or variable life contract for management until it has been at least one year from the date of such sale.

You or CWM may terminate this service for any reason by providing the other party with written notice, which will be effective five (5) days after receipt or at a later date as specified in the notice.

MVAP Potential Conflicts of Interest

Our firm and its associated persons may receive additional non-cash compensation from the variable annuity product sponsor. Such compensation may not be tied to the sale of any variable products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner, a ticket to a sporting event, reimbursement in connection with educational meetings, marketing or advertising initiatives. Sponsors may also pay for advisors education or training events.

We may perform advisory services for other clients as well. Depending on circumstances, advice given or actions taken for those clients may differ from the advice given for other clients. In addition, we may, but are not obligated, to purchase or sell or recommend for purchase or sale, any security which we may purchase or sell for our own accounts or for the account of any other client.

Item 9 – Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of CWM's business or the integrity of CWM's management.

Item 10 – Other Financial Industry Activities and Affiliations

CWM is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with us.

Registered Representative of a Broker-Dealer

Our representatives are also registered representatives of LPL Financial, LLC, a securities broker-dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of LPL Financial, LLC. When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL Financial, LLC and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL Financial, LLC. Prior to effecting any such transactions, you are required to enter into a new account agreement with LPL Financial, LLC. The commissions charged by LPL Financial, LLC may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

Insurance Agent

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent, may suggest that you implement recommendations of CWM by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

Service Agreement

CWM has a Service Agreement with Orion to provide trading, billing, reporting and operation solutions, as well as other advisor solutions, and our qualified custodians, LPL Financial, TD Ameritrade and Charles

Schwab Institutional Services. This agreement allows Orion to perform certain trading, operational and other administrative duties with these custodians on our behalf.

Affiliation with Peak Advisor Alliance

Peak Advisor Alliance (Peak) and CWM are under the common ownership of Ron Carson. Peak provides coaching, consulting, training, and software services to financial advisors. Peak's focus is on client service and new business growth solutions. Peak is not a registered investment advisor or broker/dealer. Peak offers services to individuals that work within the financial services industry. Peak Advisor Alliance has an insurance agency through which CWM advisors offer life insurance, LTC and other insurance products.

CWM has an arrangement with Peak allowing us to act as a sponsor of Peak events (i.e., workshops, seminars, etc.). We may market our advisory services and investments at Peak events. Peak may provide referrals to CWM and Peak may refer CWM's platforms, investment strategies and products to financial professionals using Peak services. CWM compensates Peak for these non-client referral activities.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

Our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing with you. All of our Associated Persons are expected to understand and strictly follow these guidelines.

Our Code of Ethics also requires that our Associated Persons submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Affiliate and Employee Personal Securities Transactions Disclosure

Our firm or persons associated with our firm may buy or sell securities or hold a position identical to clients. It is our policy that no Associated Person will put his/her interests before a client's interest. Associated Persons may not trade ahead of any client and cannot trade for a better price than the price a client would obtain. It is the Associated Person's responsibility to know which securities we are trading. Associated Persons are required to consult with the Compliance Department and CCO to determine whether a security is an acceptable purchase or sale. We prohibit all Associated Persons

from trading on non-public information and from sharing such information. Associated persons may not invest in an initial public offering (IPO) for their own accounts or those of related household members. Associated Persons are required to obtain approval from the CCO prior to investing in a private placement or other limited offerings. We do not allow “short-swing” trading or market timing. Short-Swing trading, better known as the Short-Swing Profit rule, requires company insiders to return any profits made from the purchase and sale of company stock if both transactions occur within a six-month period. A company insider, as determined by the rule, is any officer, director or holder of more than 10% of the company’s shares.

Reporting Requirements

Every Associated Person who has access to client accounts must submit a report of all personal securities holdings at the time of affiliation with us and annually thereafter. Such reports must contain current information (not older than 45 days). Holding reports must contain the following information:

- The title and type of security;
- The security symbol or CUSIP number;
- The number of shares and the principal amount of each reportable security;
- The name of any broker, dealer, or bank with which the Associated Person maintains an account;
- The date the report was submitted.

Item 12 – Brokerage Practices

Asset Management Services

You are under no obligation to act on the financial planning recommendations of CWM. If we assist you in the implementation of any recommendations, we are responsible to ensure that you receive the best execution possible.

CWM recommends that you establish brokerage accounts with LPL Financial, TD Ameritrade and/or Charles Schwab and Co. through their Institutional Platforms (collectively referred to as Qualified Custodians). LPL Financial, TD Ameritrade and Charles Schwab are members of FINRA/SIPC and are independent (and unaffiliated) SEC-registered broker-dealers and are recommended by CWM to maintain custody of clients' assets and to effect trades for their accounts.

At least annually, we will review alternative custodians in the marketplace for comparison to the currently used broker dealer qualified custodians. We evaluate such criteria as expertise, cost competitiveness, and financial condition. We will review quality of execution for custodians through trade journal evaluations and broker dealer reports.

CWM is independently owned and operated and not affiliated with our Qualified Custodians. The primary factor in suggesting a broker/dealer or custodian is that the services of the recommended firm are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any broker/dealer and money manager suggested by CWM must be efficient,

seamless, and straight-forward. Overall custodial support services, trade correction services, and statement preparation are some of the other factors determined when suggesting a broker/dealer. The Qualified Custodians provide us with access to their institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors at no charge to them so long as the independent investment advisors maintain a minimum amount of assets with the custodian.

The Qualified Custodians do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed by recommended money managers through the custodian or that settle into a custodian account. These benefits include, but are not necessarily limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

The Qualified Custodians also make available to us other products and services that benefit our firm but may not benefit clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); provide research, pricing information and other market data; facilitate payment of the firm's fees from its clients' accounts; and assist with back-office functions; record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at a recommended custodian. CWM is also providing other services intended to help our firm manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing.

Directed Brokerage

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, CWM may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, CWM has decided to require our clients to use broker/dealers and other qualified custodians determined by CWM.

Broker/Dealer Affiliation (LPL Financial)

If you wish to implement our advice you are free to select any broker you wish. If you wish to have our representatives implement the advice in their separate capacity as registered representatives, LPL is used. Our representatives are registered representatives of LPL and we are required to use the services of LPL when acting in this capacity. LPL has a wide range of approved securities products for which it performs due diligence prior to selection. LPL's registered representatives are required to adhere to

these products when implementing securities transactions through LPL. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer.

Because our representatives are also registered representatives of LPL, LPL provides compliance support to them. LPL also provides our representatives, and therefore us, with back-office operational, technology and other administrative support.

If you wish to implement our advice through any of the programs described in this Disclosure Brochure, LPL will be used as the broker/dealer and/or custodian. LPL will be the primary broker/dealer and custodian recommended due to the relationship our representatives have with LPL. We recommend broker/dealers and custodians that we feel provide services in a manner and at a cost that will allow us to meet our duty of best execution. However, we may be limited in the broker/dealer or custodians that we are allowed to use due to our representatives' relationship with LPL. LPL may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there is no direct linkage between the investment advice given to you and our recommendation of LPL, economic benefits may be provided to us by LPL that are not provided if you select another broker/dealer or account custodian. These benefits may include:

- Negotiated costs for transaction implementation
- A dedicated trade desk that services LPL Financial participants exclusively
- A dedicated service group and an account services manager dedicated to our accounts
- Access to a real-time order matching system
- Electronic download of trades, balances and position information
- Access, for a fee, to an electronic interface with the account custodian's software
- Duplicate and batched client statements, confirmations and year-end reports

Please also see *Item 5, Fees and Compensation*, for additional information about advisory services and implementing recommendations.

Soft Dollar Benefits

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

We do not have soft-dollar agreements with any broker dealers and have not received any such benefits; however, LPL does provide certain compensation in the form of transition assistance for assets brought on to the Carson Institutional Alliance Program and custodied at LPL.

Investment Allocation and Trade Aggregation Policy

Our allocation and aggregation process requires fair and equitable treatment of all client orders. When mutual funds are traded, there is no value to aggregation as each trade receives the same price. To the extent other securities are purchased or sold that lend themselves to aggregation or block trading (for example, stocks or exchange traded funds); we may aggregate client transactions or allocate orders

whenever possible. The aggregation of orders provides the effects of lower transaction per share costs. To the extent that we aggregate client orders for the purchase or sale of securities, including securities in which our principals and/or Associated Persons may invest, we shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, and Incorporated*. We shall not receive any additional compensation or remuneration as a result of the aggregation.

We use model strategies in the management of our separate accounts. Our trading department prioritizes the release of trading orders with respect to its advised separate accounts as follows:

- Discretionary accounts with no restrictions that require manual trade adjustments such as deviations from the model for cash requirements or that hold non-model securities, etc.;
- Accounts with restrictions that require manual intervention to process trades;
- Non-discretionary accounts that require pre-approval of trades.

Due to the sequence of placing trades for accounts, it is possible that accounts traded first will receive more favorable pricing than those traded last.

We provide investment management services to our clients. We provide non-discretionary investment research and market analysis to third-party investment professionals such as advisors and brokers.

Cross Transactions

A cross trade is a transaction between two accounts managed by the same investment advisor. We recognize the potential for significant conflicts of interest when performing internal cross transactions in client accounts; therefore the general policy is to not perform internal cross transactions. However, if we deem it to be in the best interest of certain clients, we may perform an internal cross transaction. Generally, this type of transaction will only occur in very limited circumstances. Prior to executing such a transaction, the trader will obtain prior written approval from the CCO.

Client Participation in Transactions

In general, we make investment decisions for each account independently from those of other accounts. We make these decisions with specific reference to the circumstances and objectives of each account. Accounts may receive allocations of securities or investments different from other accounts. Through the allocation process, we base these allocations on a number of factors including, but not limited to, the trade rotation policy, previous transactions, account restrictions, account size, tax status, risk tolerance, cash and liquidity. We will seek to be consistent in our investment approach for all accounts with the same or similar investment objectives, strategies and restrictions. However, the act of purchasing, selling or holding a security for one account does not mean that we will do the same for other accounts. We will place transactions for some accounts in securities already owned by other accounts. We also may purchase (or sell) a security on behalf of some accounts that was sold (or purchased) on behalf of other accounts.

Trading Errors

Even with our best efforts and controls, trade errors may happen. All trade errors will be brought to the attention of the Head Trader and the CCO immediately upon discovery. We will work to formulate the best resolution for the client. In the event of a trade error, errors will be corrected before the current day market

close (if possible) and no later than next market close date and with the intent to make the client whole. Ideally, when possible, trade errors will be moved from the client's account to either our trade error account with the broker dealer that executed the trade or that broker dealer's trade error account, depending upon which party is responsible for the error. In cases in which we are responsible for the error, all losses will be paid by us and all gains will be distributed at the discretion of the client. In cases in which the broker dealer is responsible for the error, we will follow the procedures of the broker dealer with respect to any gains or losses in the trade error account. In the event that an executing broker dealer will reverse the transaction that created the error, that broker dealer cannot be rewarded with additional business. In these cases, it is our policy not to indirectly compensate the broker dealer with additional trades.

Please be advised that any trade errors that result from inaccurate instructions provided by the client remain the financial responsibility of the client.

Loans

CWM and its advisors have received a loan from LPL in order to assist with transition of its business onto the LPL custodial platform. These loans may not be forgiven by LPL based on the scope of business CWM and its advisors engage in with LPL, including the amount of CWM's client assets with LPL. This presents a conflict of interest in that CWM and its advisors, have a financial incentive to recommend that you maintain your account with LPL in order to benefit by having the loan(s) forgiven. However, to the extent that CWM and its advisors recommend you use LPL for such services, it is because CWM and its advisors believe that it is in your best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL.

Item 13 – Review of Accounts

We provide account reviews as a part of our Asset Management Services. Our advisors will meet with you either by phone or in person at least annually to review your account(s) and update any changes in your financial profile. A summary and consolidated report will be prepared in connection with the review. Reviews may be conducted more frequently when we are experiencing significant changes in economic and market conditions, as requested by a client or at our discretion.

Statements and Reports

Our clients will receive account statements no less than quarterly from the qualified custodian. You may additionally receive on-demand positions and performance reports in writing from us for no additional fee. We encourage you to compare CWM generated reports to the account statement information you receive from your qualified custodian. The custodians' statements serve as the permanent record of your account(s).

Item 14 – Client Referrals and Other Compensation

Advisory firms may compensate us for referral activities. These fees may come in the form of marketing or referral fees paid directly to us by the firm. The exact compensation arrangement will vary depending on the advisory firm and factors associated with the referral. Fees are typically based on a portion of the management fees charged by advisory firm to clients of financial professionals we originally introduced to the advisory firm. In all cases, CWM will comply with the cash solicitation rules established by the SEC, state regulators and the client disclosure requirements.

CWM has entered into an agreement with LPL Financial (“Referring Parties”) to refer clients to CWM. If a referred client enters into an investment advisory agreement with CWM, a cash referral fee is paid to the referring party, which is based upon a percentage of the client advisory fees that are generated. The referral agreements between any referring party and CWM will not result in any charges to clients in addition to the normal level of advisory fees charged.

When a client is referred to us by a referring party, the referring party provides the client with a copy of our Disclosure Brochure as required by the *Investment Advisers Act of 1940*. The client also will complete a Solicitor’s Disclosure Statement document. If the referring party is an unaffiliated registered investment adviser firm, then the client will also receive a copy of the referring party’s Form ADV Part 2 Disclosure Brochure. If a referred client enters into an investment advisory agreement with CWM, a referral fee is paid to the referring party. The referral relationship will not result in clients being charged any fees over and above the normal advisory fees charged for the advisory services provided.

The referral agreements between CWM and referring parties are in compliance with state and federal securities rules regarding paid solicitor arrangements.

We may from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

Additional Compensation

Associated Persons, if properly registered and licensed to do so, may also receive compensation on non-advisory business (i.e., brokerage commissions) related to the sale of securities or other investment products as insurance. Transaction-based compensation such as this is separate and distinct from the other fees we may receive in connection with our investment advisory services.

Commissions from the sale of other non-advisory investment products include, but are not limited to, variable annuities, mutual funds, private placements and such non-investment related products as life insurance. Such commissions provide an advisor with an incentive to recommend these investment products based on the compensation they will receive from selling such products. This may be

considered a conflict of interest; however we do not allow advisors to earn commissions on products that are included within our advisory accounts.

LPL

From time-to-time, CWM or its affiliates receive compensation and transitional assistance from custodians for utilization of their services and products. For example, compensation and transitional assistance received from LPL is based upon the assets custodied at their firm. This may be considered a conflict of interest because, we may have an incentive to direct client accounts to LPL in consideration of the actual or anticipated incentives or consideration we will receive. CWM and its IARs may also receive an economic benefit from LPL in the form of a loan, which is forgiven if CWM and/or the IAR meet certain conditions in terms of maintaining a relationship with LPL. Please see the detailed discussion of the conditions and potential conflicts of interest in Item 12 Brokerage Practices.

We are sensitive to this potential conflict and take steps to ensure that it does not affect our decisions for our clients. CWM reviews trades for best execution, pricing, research, financial strength, and other factors to manage a potential conflict and safeguard that the clients' best interest comes first.

Conflicts of Interest

The potential for additional compensation may give our Associated Persons an incentive to recommend investment products based on the additional compensation received. Our objective, as a firm, is to always place our clients' best interests first.

The conflicts inherent to advisors or the firm receiving added compensation are disclosed to you in this brochure. Your IAR also provides you with this information in his/her advisory brochure. CWM has implemented supervisory controls for acknowledgement and oversight of existing or potential conflict concerns or issues. Our CCO is responsible for the administration of the supervisory process and our Written Supervisory Procedures (WSP).

Item 15 – Custody

CWM does not have physical or electronic custody of your funds or securities. Your account assets will be held with a bank, broker-dealer, or another independent qualified custodian. You will receive account statements directly from the custodian(s) holding your account assets no less than quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy and contact your advisor with any questions you may have. Please note that the custodians' account statement serves as your permanent record of your assets held with each custodian.

Item 16 – Investment Discretion

The Agreement grants us the authority to decide what securities are bought or sold in your account(s) and the authority to implement those decisions without being required to obtain your approval.

You have the right to place reasonable restrictions on your accounts. You may also place reasonable restrictions on the discretionary power granted to us so long as the limitations are specifically directed to us as an attachment to the Agreement.

Item 17 – Voting Client Securities

Asset Management Services

You are responsible for exercising your right to vote proxies for any and all securities maintained in your accounts unless you hold an ERISA account with us. ERISA accounts do require our proxy vote. We do not provide advice on proxy materials on behalf of your non-ERISA advisory accounts.

Class Action Suits

A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and/or fact. Class action suits frequently arise against companies that publicly issue securities, including securities recommended by investment advisors to clients.

With respect to class action suits and claims, you (or your agent) will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in your account. We do not provide such services and are not obligated to forward copies of class action notices we may receive to you or your agents.

Item 18 – Financial Information

Our firm does not have any financial conditions that would prevent us from meeting our contractual commitments to you. We have not been the subject of a financial related petition.

Privacy Policy – Our Commitment to You

We treat your non-public personal financial information with confidentiality and respect. Our Privacy Policy defines the trust, privacy, and confidentiality we have with our clients. Our Privacy Policy is reasonably designed to:

1. Ensure the security and confidentiality of your records and information;
2. Protect against anticipated threats or hazards to the security or integrity of your records and information; and,
3. Protect against unauthorized access to or use of your records or information that could result in substantial harm or inconvenience to you.

Information We Collect About You

You typically provide personal information when you open an account with us. This information includes financial and tax identification information, to comply with U.S. government laws and rules, as well as rules imposed by regulatory organizations and jurisdictions. We request personal information

from new customers as well as from customers who have had long-standing relationships with us. Your advisor must have a reasonable basis for believing that the recommendation is suitable for you. In making this assessment, your advisor must consider your risk tolerance, other security holdings, financial situation (income and net worth), financial needs, and investment objectives.

Responsibility to Protect Non-Public Personal Information

Our Associated Persons are accountable for protecting confidential client information in which they have access. We restrict access to your non-public personal information to those persons on a need to know basis.

Non-public personal information includes all information you provide to obtain a financial product or service. It also includes information resulting from any transaction or information otherwise obtained in providing a financial product or services. In addition, we maintain physical, procedural and electronic safeguards in an effort to protect the information from access by unauthorized parties.

Privacy on the Internet

We are committed to preserving your privacy on the Internet. If you contact us via e-mail, we will use e-mail information only for the specific purpose of responding to requests or comments. We prohibit the sale of e-mail addresses. Only when required by law will we share e-mail addresses and information.

Sharing Information

We do not sell lists of client information. We do not disclose client information to marketing companies unless we hire them to provide specific services as listed below. We do not disclose any non-public personal information except as provided by law.

We may share non-public personal information with our affiliates while processing transactions, managing accounts on your behalf, or to inform you of products or services that we believe may be of interest to you. Additionally, we may share non-public personal information with the following types of third parties: (a) our financial service providers, such as custodians, transfer agents and third-party money managers; (b) non-financial companies under servicing or joint marketing agreements, such as printing firms, mailing firms, or providing service firms data transfer information for the purpose of aggregation, or performance reports.

These third parties are bound by law or by contract to use your information only for the services for which we hired them and are not permitted to use or share this information for any other purpose.

Your non-public personal information may also be disclosed to persons we believe to be your authorized agent or representative. We are also required to disclose your information to various regulatory agencies in order to satisfy our regulatory obligations and as otherwise required or permitted by law. In addition, we will disclose client information to third-party litigants when we are required to do so by lawful judicial process or by court order. We may also disclose your confidential information in response to a request from a government authority that has jurisdiction over our affairs.

Former Customers

We do not disclose any non-public personal information about our former clients to anyone, except as required by law.

Keeping You Informed

We will send you a copy of our Privacy Policy annually for as long as you maintain a relationship with us. We will provide you with a revised policy if we make any material changes. We will not change the policy to permit the sharing of non-public personal information other than that provided in this notice unless we first notify you and allow you the opportunity to “opt out” or prevent information sharing.

FACTS	WHAT DOES CWM, LLC DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and employment information • account balances and account transactions • transaction history and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers ' personal information; the reasons CWM, LLC chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does CWM, LLC Management share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We do not share
For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	No	We do not share
For our affiliates to market to you	No	We do not share
For nonaffiliates to market to you	No	We do not share

Questions?	Call (888) 321 0808 or go to WWW.CARSONWEALTH.COM
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What we do	
How does CWM, LLC protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does CWM, LLC collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ▪ open an account ▪ provide account information ▪ give us your contact information ▪ enter into an investment advisory contract ▪ tell us about your investments or retirement portfolio ▪ seek advice about your investments
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ▪ sharing for affiliates' everyday business purposes – information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ▪ <i>Peak Advisor Alliance.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ▪ <i>CWM, LLC does not share with nonaffiliates so they can market to you.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ▪ <i>CWM, LLC does not have joint marketing arrangements.</i>