

# **CM WEALTH ADVISORS LLC**

## **ITEM 1: COVER PAGE**

### **Part 2A of Form ADV The Brochure**

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*This Brochure provides information about the qualifications and business practices of CM Wealth Advisors LLC (“CMWA”). If you have questions about the contents of this Brochure, please contact us at 216-831-9667. The information in the Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.*

*As reflected in this Brochure, CMWA is a registered investment adviser under the Investment Advisers Act of 1940, as amended. Such registration does not imply any certain level of skill or training.*

*Additional information about CMWA is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*You can search this site by a unique identifying number, known as a CRD number.  
The CRD number for CMWA is 119467.*

**The date of this Brochure is March 11, 2022.**

## **ITEM 2: MATERIAL CHANGES**

CMWA's most recent prior update to Part 2 of Form ADV was made in July 2021. CMWA's business activities have not changed materially since that update.

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## **ITEM 4: ADVISORY BUSINESS**

### ***(A) Firm Description***

CM Wealth Advisors LLC (“CMWA”) is a wealth management and investment advisory firm. It serves a limited number of high net worth individuals, families, and foundations. The firm’s members provide personal attention, objective counsel and custom solutions focused on growing and preserving real wealth.

CMWA was founded by William J. O’Neill, Jr. in 1983 as a single-family office. The goals were to professionally manage the founding family’s financial affairs – including estate planning, tax preparation and philanthropy – while investing financial assets to achieve real growth over time. In 2000, the firm broadened its services to a multi-family office, leveraging the skills and capabilities honed over the first decade and a half, to new clients with similar needs. Originally called “Clanco” – for “family company” – the firm changed its name to CM Wealth Advisors Inc. in 2010. Effective January 1, 2019, CM Wealth Advisors Inc. is now CM Wealth Advisors LLC.

Since 2003, CMWA has been a registered investment adviser under the Investment Advisers Act of 1940, as amended. The firm had assets under management of approximately \$1.905 billion as of December 31, 2021. Of this total, approximately \$1.735 billion are managed on a discretionary basis and \$170 million are managed on a non-discretionary basis. CMWA does not participate in any “wrap fee” programs.

CMWA is an Ohio limited liability company. The Manager of CMWA is R. Douglas McCreery. All of CMWA’s membership interests are owned by CMWA LLC, an Ohio limited liability company (the “Holding Company.”) The Holding Company is owned and managed by its members, all of which are employees and officers of CMWA (together, the “Members”). William J. O’Neill, Jr. continues to serve CMWA in his capacity as a member of the Holding Company’s Advisory Board. CMWA’s officers are as follows:

R. Douglas McCreery	Manager and Chief Executive Officer
Douglas J. Smorag	Chief Operating Officer and Secretary
Cynthia G. Resch	Chief Investment Officer
Neal B. Colby	Chief Financial Officer and Chief Compliance Officer

Additional information about CMWA is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for CMWA is 119467. CMWA’s website is CMWEALTHADVISORS.COM.

### ***(B) Types of Advisory Services***

CMWA offers its clients four basic types of advisory service programs: (1) a comprehensive Wealth Management Advisory Services program (the “WMAS Program”) that provides a wide range of financial, risk management and investment advisory services; (2) a comprehensive Wealth Management and Investment Advisory Services program (the “WMIAS Program”) that provides, on a non-discretionary, non-custodial basis, financial oversight, asset allocation strategies and investment advisory services; (3) an investment advisory program that provides only investment management and supervisory services; and (4) business consulting. These programs are described in detail below.

*(1) Wealth Management Advisory Services Program*

CMWA's Wealth Management Advisory Services program (the "WMAS Program") is a comprehensive financial, risk management and investment advisory program that bundles together certain services as described below. As a participant in the WMAS Program, each WMAS client is entitled to utilize the full range of such services, as needed from time to time. The foundation of the WMAS Program is its broad-based, independent and comprehensive approach to financial management. The following services are included in this Program:

(a) Financial and Estate Planning and Consulting

CMWA works with each WMAS client to develop a comprehensive financial/estate planning and investment program for the client and all "Covered Client Parties" based on the client's individual financial needs, objectives and circumstances.<sup>1</sup> As part of the planning process, CMWA reviews background information and existing estate and investment documentation as needed to create the program. CMWA then coordinates and documents such relationships with third-party service providers (including investment managers, custodians, attorneys and other professionals) as may be required to implement the program. On an ongoing basis throughout the term of the client's WMAS agreement, CMWA consults with and makes recommendations to the client with respect to the program components, as well as with respect to the handling of such investment, tax, cash flow, risk management and estate planning matters and issues as may need to be addressed from time to time.

The nature of CMWA's role and comprehensive annual services in developing and implementing a financial/estate planning and investment program will vary from client to client. However, in all cases, the services will include a comprehensive annual review of the client's financial, estate, tax, risk management and philanthropic affairs. Based on this annual review, CMWA will develop a checklist of action items to be accomplished to address any issues or desired changes in the client's program. CMWA will meet with the client periodically throughout the term of the client's WMAS agreement to provide updates on progress in making any required changes to the client's program.

As part of CMWA's estate planning review and consultation services, CMWA coordinates and oversees the services of the client's legal and accounting professionals. CMWA meets with such professionals as needed to ensure that the client's financial/estate planning and investment program is properly implemented and documented.

(b) Investment Advisory and Portfolio Management Services

CMWA provides each WMAS client with investment advisory, management and reporting services. Client accounts are managed on either a discretionary or non-discretionary basis, principally using a team of third-party investment managers and funds. CMWA's main role is to act as a "manager of managers" for these accounts.

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<sup>1</sup> For each client entering into a WMAS Advisory agreement with CMWA, "Covered Client Parties" means all of the following: (a) the spouse and minor children of the client (provided that the client's spouse authorizes CMWA in writing to act for him/her); (b) any trust, partnership, corporation or other entity controlled by or benefiting the client or his/her spouse or minor children, provided it was formed for a purpose related to their estate, financial, investment or family planning (e.g., not a for-profit operating business); (c) any child of the client or the client's spouse who is between 18 and 25 years old and is a full-time student (provided that such child authorizes CMWA in writing to act for him/her); and (d) other related persons and entities as CMWA agrees in writing to cover.

Portfolio allocations are guided by the objectives of the client as stated within their “Investment Objective” statement (i.e., aggressive growth, growth, moderate growth, conservative, principal stability), considering the client’s tolerance for risk and volatility.

The third-party managers and funds used for client accounts are selected by the firm’s Investment Committee. That Committee also oversees performance of these programs. Members of the Investment Committee are listed in Item 8.

Recommendations for each client are incorporated into a written “Investment Objective” for the client. CMWA then assists the client in creating the portfolio, monitors the investments and periodically reports to the client on its performance. The client’s Investment Objective is reviewed periodically and updated as needed to reflect any changes in the client’s financial needs, objectives and circumstances.

Any client can restrict the types of investments that are included in such client’s portfolios. Clients retain individual ownership of all securities and non-securities, which are custodied with independent third-party custodians. As part of its services, CMWA assists each of its clients in the establishment and monitoring of these separate custody accounts. CMWA does not receive any portion of the fees charged by any custodian for its services.

Because CMWA’s role generally is to act as a “manager of managers,” the firm does not regularly recommend or direct the purchase or sale of specific securities for client accounts. From time to time, if requested by a client or as necessary to implement a client's investment strategy, CMWA may direct that specific securities be purchased or sold in a client's account. In such cases, CMWA will utilize independent broker-dealers or agents selected solely based on obtaining the best execution of the transaction. (See “BROKERAGE PRACTICES” below). CMWA does not receive any payments, products, research or other “soft dollar” consideration from any broker-dealer or agent selected to execute client transactions.

#### (c) Tax Planning and Compliance

CMWA provides each WMAS client with comprehensive tax planning, reporting and compliance services. Utilizing in-house or third-party accounting professionals, CMWA prepares and/or reviews all tax returns for the client and, generally makes payments from the client’s accounts to cover all estimated and final tax liabilities.

#### (d) Insurance and Risk Management

CMWA consults with each WMAS client with respect to and provides the client with assistance in obtaining and monitoring insurance appropriate for the client’s lifestyle, including life, health and casualty insurance. CMWA also advises clients about loans, mortgages and other financing arrangements. As part of this service, CMWA works directly with lenders to negotiate terms and document the client’s loans.

#### (e) Trustee Services

If the use of a third-party trustee (whether an institutional trustee or an individual trustee) is needed for a WMAS client, CMWA will assist the client in establishing criteria and selecting such a trustee. Under certain circumstances, a Member may agree to act as an individual trustee for client accounts. If an institutional trustee is desired, CMWA will perform searches of various institutional trustees and will recommend which institutional trustees may be appropriate to meet the client’s needs. Factors considered in making such recommendations include account size, risk

tolerance, the client's opinion, and the investment philosophy of the institutional trustee. CMWA does not receive any referral compensation from any selected institutional trustee. If CMWA determines that a trustee is performing inadequately, then CMWA will recommend that the client change trustees and will assist the client in selecting a new replacement trustee.

(f) Lifestyle Management

If desired by a WMAS client, CMWA may provide the client with various additional services generally categorized as "Lifestyle Management" services, including bill paying and individualized cash flow management services. Certain of these services may require additional fees or costs, which will be agreed upon in writing by the client and CMWA.

(g) Family Philanthropy

CMWA has a long history of supporting our WMAS clients' philanthropic programs. Among the services available are investment management services for private charitable foundations, assistance in planning and structuring private charitable gifting programs (such as structured gifts, grantor retained annuity trusts and charitable lead annuity trusts), and administrative, regulatory and tax management services. Certain of these services may require additional fees or costs, which will be agreed upon in writing by the client and CMWA.

(2) *Wealth Management and Investment Advisory Services Program*

CMWA's Wealth Management and Investment Advisory Services Program (the "WMIAS Program") is a comprehensive financial and investment advisory program, similar to the WMAS Program, except CMWA, on a non-discretionary, non-custodial basis, will monitor and report on client accounts, not manage. With that distinction in mind, the above-mentioned WMAS Program services (see Item 4(B)(1)(a)-(g) above) are also offered to clients in the WMIAS Program.

(3) *Investment Advisory Services Program*

When the client prefers, CMWA can provide stand-alone investment advisory services. CMWA's investment advisory program generally includes all the investment-related services CMWA provides to its WMAS clients.<sup>2</sup> In certain cases, particularly when working with foundation clients, CMWA may agree to serve as the "Chief Investment Officer" ("CIO") for the client. In such cases, CMWA will structure, implement and oversee the client's entire investment program, reporting to the client, family, board or investment committee on a periodic basis.

CMWA's investment advisory clients generally are afforded full access to all third-party managers utilized by CMWA, as well as to the private equity and pooled investment vehicles offered by CMWA.

(4) *Business Consulting*

CMWA also provides business advisory consulting services. CMWA Members and employees have the skills, experience and knowledge of different aspects of business, legal, and market forces. After listening to our client's concerns, we identify, analyze and solve business issues by planning and

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<sup>2</sup> These are described in the preceding section, Item 4(B)(1)(b), captioned "Investment Advisory and Portfolio Management Services" on page 5.

executing business strategies consistent with a client's overall financial needs, obligations and circumstances.

***(C) Pooled Investment Vehicles***

CMWA uses an array of limited liability companies ("CMWA Pooled Investment Vehicles") to facilitate investment by its advisory clients in various types of programs, including publicly traded securities, private equity, venture capital and alternative investment programs. CMWA, CMWA Pooled Investment Vehicles and/or the Members may also be limited partners, general partners, members or managers of such CMWA Pooled Investment Vehicles. (Please refer to the disclosure in Item 11 of this Brochure for information on CMWA's policies and procedures for instances where either CMWA and/or any Members may have a personal interest in client transactions.) In many cases these CMWA Pooled Investment Vehicles provide access to investment funds and managers that otherwise would not be open to individuals because of high investment account minimums, high fees, fund closure to new investors, or other reasons.

Each CMWA Pooled Investment Vehicle pays the fees and expenses associated with such Vehicle's investments and business activities, including legal, accounting, custody and third-party investment management fees. CMWA does not receive any investment management or advisory fees from any CMWA Pooled Investment Vehicle. CMWA is, however, entitled to be reimbursed for expenses incurred for any accounting and tax services provided to, as well as some manager diligence costs, for such Vehicles.

**ITEM 5: FEES AND COMPENSATION**

***(A) Fees and Compensation for Wealth Management Advisory Services ("WMAS") Program***

CMWA charges its clients an annual fee for participation in its WMAS Program. For this fee, CMWA provides all of the comprehensive wealth management services included as part of the WMAS Program, including investment advisory services. The WMAS base fee ranges from 0.37% to 0.72% per annum of assets under management. Under certain circumstances, the fee range may be negotiable or may be set in whole or in part on a fixed fee basis. CMWA generally aggregates all accounts under management belonging to family members when calculating the annual WMAS fee.

Fees of third-party investment managers used to manage a client's investment accounts and third-party custody fees are charged to the client. In addition, to the extent any client participates in investments through partnerships, mutual funds and pooled investment vehicles— including CMWA Pooled Investment Vehicles – the client will indirectly bear a share of the fees and expenses paid by the pooled investment vehicles. A description of how CMWA utilizes pooled investment vehicles in connection with its investment advisory services is contained in Item 4(C) above.

***(B) Fees and Compensation for Wealth Management and Investment Advisory Services ("WMIAS") Program***

CMWA charges its WMIAS clients an annual fee for participation in its WMIAS Program. For this fee, CMWA provides all the comprehensive wealth management services included as part of the WMIAS Program, including monitoring and advising of accounts. The WMIAS base fee is negotiable or may be set in whole or in part on a fixed fee basis. CMWA generally aggregates all accounts under advisement belonging to family members when calculating the annual WMIAS fee.

***(C) Fees and Compensation for Investment Advisory Services (“IAS” or “CIO”) Program***

CMWA charges its Investment Advisory Services clients an annual fee for participation in its investment advisory and CIO services programs. That fee ranges from 0.20% to 0.75% per annum of assets under management. The fee range may be negotiable or may be set in whole or in part on a fixed fee basis. CMWA generally aggregates all accounts under management belonging to family members when calculating its annual investment advisory fees.

Fees of third-party investment managers and custodians used for an advisory client's accounts are charged to the client. As with the WMAS Program, if a client participates in investments through Pooled Investment Vehicles, the client will indirectly bear a share of the fees and expenses paid by the Pooled Investment Vehicles.

***(D) Fees and Compensation for Business Consulting***

The fee range for business consulting is set in whole on a fixed fee basis and is negotiated with the client.

***(E) Billing of Fees***

All fees and expenses are billed quarterly, in arrears (unless otherwise specified in the advisory agreement). The billed fees are generally deducted directly from client accounts after each quarterly billing; however, clients may elect to pay fees directly after receipt of their quarterly billing statement. For those clients who are billed in advance, any payment of fees is subject to refund in the event of termination of an account prior to the end of a quarterly billing period for which payment has been made, with the amount of the refund being determined on a prorated basis.

***(F) Brokerage and Transaction Costs***

See “Item 12: Brokerage Practices” below.

***(G) Other General Information on CMWA Fees and Compensation***

CMWA’s sole sources of revenue are the fees it receives from its clients and expense reimbursement payments it receives from CMWA Pooled Investment Vehicles. Neither CMWA nor any of its employees or the Members receive, directly or indirectly, any other type of compensation or commission related to the sale of securities or other investment products. Furthermore, CMWA does not receive any “soft dollar benefits” from any third party in connection with securities transactions of its clients or pooled investment vehicles.

Under certain circumstances, CMWA fees and account minimums may be negotiable. CMWA may waive account minimum requirements at CMWA's discretion.

**ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Neither CMWA nor any of its Members or employees receives, directly or indirectly, any performance-based fees related to CMWA client accounts or CMWA Pooled Investment Vehicle accounts.

## **ITEM 7: TYPES OF CLIENTS**

Most of CMWA's clients are high-net-worth individuals. However, the firm also provides services to trusts, charitable organizations, CMWA Pooled Investment Vehicles (typically formed as limited liability companies) and other business entities. Among these are CMWA Pooled Investment Vehicles of which CMWA and the Members are general partners, limited partners, managers or members.<sup>3</sup>

CMWA requires that investment advisory clients have a minimum of \$5,000,000 of assets under management with CMWA or of available investable assets. Generally, CMWA requires that WMAS clients have a minimum of \$10,000,000 of assets under management with CMWA or of investable assets. Under certain circumstances, CMWA may aggregate accounts belonging to family members in order to meet these standards. Under certain circumstances, any of CMWA's minimum requirements may be negotiable or waived.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### ***(A) Investment Philosophy and Strategies***

CMWA's fundamental investment philosophy is centered on a set of investment principles and a core growth equity model designed to create real growth in wealth over complete market cycles. This core growth equity model can be balanced using active fixed-income and alternative investment programs; and portfolio risks are managed through asset allocation, manager selection and investment strategy diversification. The key principles of CMWA's investment philosophy include the following:

- **Every client is different.** Each client has a different appetite for risk and a different requirement for return; hence, every relationship begins with an assessment of the client's current situation and needs. From this assessment we build an investment strategy that reflects the client's investment goals and establishes parameters around asset allocation and investment strategy.
- **Different asset classes have different return expectations and different risk profiles.** Historically, over complete market cycles, equities outperform most other asset classes, especially fixed income. Many of our clients have a bias for equities over fixed income and are willing to tolerate more volatility with the expectation of greater returns over time. Others prefer knowing their assets are more conservatively invested, perhaps with a significant portion in fixed income or government obligations, and willingly forgo the expected outperformance of equities over time.
- **Diversification provides benefits.** Diversification among asset classes can be used to drive returns and to temper volatility. Diversification among managers and strategies can reduce the risks of overly concentrated portfolios and of manager underperformance.
- **Top managers can outperform passive investments over complete market cycles.** We search diligently and systematically for managers who we believe will outperform their peers and passive management over time.
- **Take advantage of "less-efficient" markets.** We believe smaller-capitalization stocks (both domestic and international), as well as alternative investments and private equity, offer the highest return opportunities over the long-term.

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<sup>3</sup> Please refer to the disclosure in Item 11 of this Brochure for information on CMWA's policies and procedures for instances where either CMWA and/or any Members may have a personal interest in client transactions.

- **Pooling assets is powerful.** Aggregation of client assets widens the spectrum of opportunities, provides access to top managers and reduces costs. We use our array of CMWA Pooled Investment Vehicles to realize these benefits.
- **Focus on the next generation rather than the next quarter.** We have neither a trading mentality nor an inclination to “time” markets. Instead, we take a disciplined approach to steady and real growth, while being mindful of longer-term trends and adapting strategies accordingly.

Item 4(B)(1)(b) above describes how CMWA develops each client’s investment objective and asset allocation program. As noted in that item, CMWA generally uses a team of third-party investment managers to manage client assets; accordingly, CMWA typically does not select individual securities for the accounts of its clients or pooled investment vehicles. Information regarding the types of investments, securities, analysis methods, sources of information, and investment strategies used by any such third-party investment managers are made available to all clients and prospective clients upon request.

Overall responsibility for the selection and review of third-party managers, as well as the responsibility for making investment recommendations for client portfolios rests with CMWA’s Investment Committee. The following Members, Cynthia G. Resch (Chair), James W. Wert, Douglas J. Smorag, Paul A. Bodnar, John E. Kohl, Benjamin E. Wallace, and R. Douglas McCreery, together with CMWA founder William J. O’Neill, Jr., currently comprise the Investment Committee.

CMWA has an agreement with Fourth Street Performance Partners of Covington, Kentucky, to provide certain investment consulting, advisory and reporting services to CMWA and the Investment Committee with respect to its client accounts. As part of such services, Kenneth P. Dorger, Co-President of Fourth Street Performance Partners, serves as a consultant to, and attends the meetings of, CMWA’s Investment Committee.

***(B) Risks of CMWA Investment Programs and Strategies***

The investment programs and strategies used for CMWA clients may include exposure to publicly traded equity securities, private equity, alternative investment products and fixed income securities. Each of these has different risk characteristics:

- Publicly traded equity securities investments are subject to various fundamental risks. Among these are: market risk (the risk that an investment will decline in value); liquidity risk (the risk that you will be unable to sell an asset when you want to at the price you want); economic risk (the risk of a general downturn in the economy affecting a wide range of financial markets); and tax risk (the risk that the value of investments will be adversely affected by taxes).
- Private equity investments are particularly subject to liquidity risk. These investments require a long time – frequently 10 to 12 years, or longer – to be realized. In addition, the fees related to private equity investing typically are much higher than fees for conventional investments, such as mutual funds. This could reduce returns. As with all equity investments, return of principal is not guaranteed. Material loss of value is possible.
- Alternative investment products, such as hedge funds have many of the same risk characteristics as private equity, including market risk and liquidity risk. In addition, many of these investments tend to generate ordinary income to investors rather than capital gains, which are taxed at a lower rate. This can result in lower after-tax returns.
- Fixed income securities investments – such as bonds or bond funds – are not free from risk. The principal risks of investing in fixed income are credit risk (the risk that the issuer of a bond may default on its repayment obligations) and inflation risk (the risk that the value of a bond may not grow enough to keep up with inflation).

*Investing in securities – and particularly investing a substantial portion of a portfolio in equity securities, as many of CMWA’s clients do – involves risk of loss that clients must be prepared for, and able to bear.*

## **ITEM 9: DISCIPLINARY INFORMATION**

Neither CMWA nor any of its Managing Board or Members have been involved in, or subjected to, any legal or disciplinary events that would be material to a client’s or prospective client’s evaluation of the firm’s advisory business or the integrity of its management.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

CMWA’s Member, James W. Wert, provides services as a director to Park-Ohio Corporation and Crawford United Corporation, and receives compensation for those services.

Other Members may from time to time provide services (such as tax preparation, accounting, legal or consulting services) to third parties, including CMWA clients, for which such Members may receive compensation directly from such third parties.

None of the foregoing relationships is material to CMWA’s advisory business or creates any material conflict of interest with CMWA clients. All relationships of the type described in this Item are subject to periodic review by and approval of the Managing Board.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

CMWA has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. CMWA's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients. Summarizing these duties and responsibilities, CMWA is a fiduciary that has a duty of undivided loyalty to its clients and an obligation to act at all times with the utmost integrity on the clients’ behalf.

Among other things, the firm’s Code of Ethics sets forth CMWA's practice of supervising the personal securities transactions of its employees and Members. Individuals associated with CMWA may buy or sell securities for their personal accounts that are identical to or different than those recommended to clients. In addition, such individuals may have interests or positions in securities and Pooled Investment Vehicles which may also be recommended to clients. However, it is the explicit policy of CMWA that no person employed by CMWA shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, CMWA requires that all employees and Members associated with CMWA provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. CMWA requires such persons to also receive approval from the Chief Compliance Officer prior to investing in any IPOs or third-party private placements (limited offerings).

Moreover, CMWA requires that all employees and Members must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. CMWA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

CMWA will provide a complete copy of its Code of Ethics to any client or prospective client upon request to the Chief Compliance Officer at CMWA's principal address.

## **ITEM 12: BROKERAGE PRACTICES**

While CMWA has discretionary investment authority over certain of its clients' accounts, CMWA generally does not have discretion to determine the broker-dealers used for such accounts or the commission rates to be paid to such broker-dealers, as the investments in such accounts are managed principally by third-party investment managers.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, CMWA may recommend the use of one of several broker-dealers.

In recommending a broker-dealer, the factors considered by CMWA include the broker-dealer's ability to provide professional services, CMWA's experience with the broker-dealer, the broker-dealer's reputation, the broker-dealer's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to effect trades through any recommended broker-dealer; and each client is free to select any broker-dealer of his or her choice. If the client directs CMWA to use a specific broker-dealer, CMWA will not be responsible for obtaining best execution for any directed brokerage transactions. CMWA does not receive any payments, products, research or other "soft dollar" consideration from any broker-dealer or agent selected to execute client transactions.

## **ITEM 13: REVIEW OF ACCOUNTS**

CMWA client accounts and statements are reviewed at least monthly by CMWA staff members. In addition, each CMWA account is formally reviewed, and a Portfolio Summary prepared and furnished to the client, at least quarterly by one or more of the following Members:

- James W. Wert
- John E. Kohl
- Douglas J. Smorag
- Cynthia G. Resch
- Neal B. Colby
- Aileen P. Werklund
- Paul A. Bodnar
- R. Douglas McCreery
- Benjamin E. Wallace
- Amy R. Lorus

The number of account relationships for which each Member is responsible will vary from time to time. However, none of the Members is responsible for oversight of more than 40% of CMWA's client accounts, and all account relationships will have another Member assigned in a support or supervisory role.

More frequent account reviews may be triggered by material changes in variables such as the client's individual circumstances or changes in the market, political or economic environment. CMWA will also provide additional account reports and reviews to clients as requested by a client.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

CMWA does not receive any type of economic benefit from third parties for providing investment advice or other advisory services to CMWA clients. CMWA also does not directly or indirectly compensate any person for client referrals.

## **ITEM 15: CUSTODY**

All client accounts and CMWA Pooled Investment Fund accounts are held in custody by independent custodians. However, since CMWA can access many client accounts, as well as all the CMWA Pooled Investment Fund accounts, CMWA is considered to have custody of these client assets. For each CMWA account, the respective account custodian sends statements directly to the account owner at least quarterly. Clients should carefully review these statements. In addition, clients should compare these statements to the quarterly Portfolio Summary CMWA provides to each client and to any other account information provided by CMWA for consistency.

CMWA has adopted a written policy detailing its custody procedures and practices. A copy of this policy is available to any client or prospective client upon request.

## **ITEM 16: INVESTMENT DISCRETION**

CMWA has been granted the authority by many of its clients to determine, without express client approval, the specific securities to be bought or sold in the client's account to implement the client's investment strategy. Any limitations which might be placed on CMWA with respect to this authority are "client specific" and, to the extent that they exist, are contained in the client's CMWA advisory agreement.

## **ITEM 17: VOTING CLIENT SECURITIES**

As a matter of firm policy, CMWA does not vote proxies on behalf of clients or CMWA Pooled Investment Vehicles. In most cases, third-party investment managers who manage client and CMWA Pooled Investment Vehicle accounts have authority to vote proxies for the securities held in those accounts. Where clients may retain the right or elect to vote proxies, CMWA may provide clients with consulting assistance regarding proxy issues.

## **ITEM 18: FINANCIAL INFORMATION**

CMWA has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.

In April 2020, CM Wealth Advisors LLC participated in the Paycheck Protection Program under the CARES Act passed in late March 2020 in response to the coronavirus pandemic. Firm management determined that participation in the program was a prudent action in response to the significant economic uncertainties brought about by the pandemic. The firm used the PPP to continue payroll and did not suffer any interruption of service.