

# DMJ Wealth Advisors, LLC Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of DMJ Wealth Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (336) 275-9886 or by email at [ccarrick@dmjwa.com](mailto:ccarrick@dmjwa.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about DMJ Wealth Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). DMJ Wealth Advisors, LLC's CRD number is: 301042.*

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

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## Item 2: Material Changes

DMJ Wealth Advisors, LLC has the following material changes to report. Material changes relate to DMJ Wealth Advisors, LLC's policies, practices or conflicts of interests.

- DMJ Wealth Advisors, LLC has updated Item 5 to disclose that the firm offers educational seminars and workshops to clients and the general public free of charge.
- DMJ Wealth Advisors, LLC has updated Item 10.C to remove reference to certain representatives being Investment Advisor Representatives of ProEquities.
- DMJ Wealth Advisors, LLC has updated Item 12 to disclose the custodians that the Firm recommends.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

DMJ Wealth Advisors, LLC (hereinafter "DMJWA") is a Limited Liability Company organized in the State of North Carolina. The firm was formed in August 1999 by the Partners of DMJ & Co., PLLC in an effort to provide substantive planning and investment advice for clients of the firm. Therefore a majority of our clients are also clients of the CPA firm.

DMJWA focuses on providing Comprehensive Financial Planning and Investment Management Services for their clients. DMJWA coordinates investment and financial planning guidance with the tax planning advice of the independent CPA firm to meet the wealth management needs of our clients. We also provide Retirement Planning Services to Business owners.

As a fiduciary under the Advisers Act and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), we owe a duty to act solely in the best interests of our clients ("Clients", "you", "your") and must disclose any conflicts that might limit or prevent us from meeting that duty.

#### **Firm Partners**

##### **Charles E Carrick, CFP, ChFC\ Managing Partner**

Chuck joined the firm in 2001 after 17 years in the financial services industry. He is a CERTIFIED FINANCIAL PLANNER™ Professional and a Chartered Financial Consultant. He graduated with honors from Guilford College with a degree in Administrative Science and a minor in accounting. He holds Series 65 and 66 securities registrations.

##### **Sheryl Austin, CFP, ChFC, CLU\ Partner**

Sheryl joined the firm in 2001 after serving as a financial advisor and partner in Advanced Planning Concepts. She earned designations as a Chartered Life Underwriter and a Chartered Financial Consultant. She became a CERTIFIED FINANCIAL PLANNER™ Professional in 2002. Sheryl focuses on financial planning and estate planning services with her clients.

##### **Jeffrey Hwang, CFP, CRPC\Partner**

Jeff joined the firm in 2009 after beginning his career in financial services at Merrill Lynch in 2006. He is a CERTIFIED FINANCIAL PLANNER™ Professional and a Chartered Retirement Planning Counselor. He graduated from Davidson College and spent time in the non-profit and housing industries prior to beginning his career in Financial Services.

#### **CPA Partners**

The Partners listed below are Partners in DMJ & Co., PLLC, a CPA firm, as well as Partners in DMJWA. They are registered with DMJWA as investment advisor representatives ("IAR"). Their full time profession is providing tax and consulting services through the CPA firm. The CPA's refer potential clients to DMJWA and receive compensation for referrals and as owners of DMJWA. These CPA Partners do not provide investment advisory advice or financial planning for DMJWA. Financial Planning Professionals coordinate their guidance with the tax advice provided by the CPA's when clients engage both firms.

#### **CPA Firm Partners of DMJWA**

- Michael Gillis, CPA, PFS
- Arthur Winstead Jr., CPA
- Charlie Welborn, CPA
- Donna Johnson, CPA
- R. Milton Howell III, CPA, CSEP

## **B. Types of Advisory Services**

### ***I. Wealth Management Services***

DMJWA offers Wealth Management Services based upon an evaluation of the client's goals and resources. We define this service as including both **Financial Planning** and **Investment Management Services**.

**Financial Planning** is a comprehensive evaluation of a client's current and future financial state by using currently known variables to estimate future cash flows, asset values and distribution schedules. The key defining aspect of financial planning is that through the financial planning process, most questions, information and analysis will be considered as they affect and are affected by the entire financial and life situation of the client.

Clients engaging the firm for this service will have access to a live 24/7 financial plan which has the ability to update values and plan dynamics on a daily basis. This is intended to provide the client with a roadmap to achieving long term goals and the confidence they can be achieved. The engagement process also allows us to perform Scenario Planning so that we can help clients evaluate the results relative to different approaches or with the assumption of life events which could occur over their lifetime.

**Investment Management Services** provides ongoing advice to a client regarding the investment structure and execution of portfolios composed of marketable securities. The portfolio structure is based on the individual needs of the client as developed through the Financial Planning Process. Multiple portfolios could be utilized with different asset allocation targets in order to match up with the various client objectives. We may also review and discuss a client's prior investment history, as well as family composition and background.

DMJWA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. DMJWA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client. Risk tolerance levels are documented and an Investment Policy Statement is created, which is given to each client.

DMJWA seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of DMJWA's economic, investment or other financial interests. To meet its fiduciary obligations, DMJWA attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, DMJWA's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is DMJWA's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

The execution and monitoring of an investment plan also takes into consideration:

- Tax Impact
- Time Horizon
- Risk Tolerance
- Return Expectation
- Market Environment

Client's engaging DMJWA for this service should have a minimum of \$1,500,000 in marketable securities with the firm.

## ***II. Investment Management Services (stand-alone)***

DMJWA offers "stand-alone" ongoing portfolio management services for the client who does not desire to engage the firm in comprehensive financial planning services. Investment Management is focused on the client goals, time horizon, tax impact, return expectation and risk tolerance. DMJWA creates an Investment Program for each client, which outlines the key parameters and then constructs an outline to aid in the selection of a set of portfolios which match each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Clients would have access to a client portal 24/7, providing daily updated account values. This portal could also be used by the client for aggregating outside assets in order to provide the client with ease of management.

This service is available for clients with marketable securities of \$500,000 and above.

## ***III. Financial Planning and Consulting Services (stand-alone)***

DMJWA may be engaged to provide financial planning and/or consulting services (including investment and non-investment related matters, estate planning, insurance planning, etc.) on a stand-alone separate fee basis.

Prior to engaging DMJWA to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with DMJWA setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to DMJWA commencing services.

DMJWA *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. To the extent requested by a client, DMJWA may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including DMJWA's representatives and/or DMJWA's affiliated entities as discussed below.

The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from DMJWA.

**Please Note:** Upon referral, clients will engage each professional directly. Any disputes that arise with each professional directly should be disputed with the professional according to the agreement signed.

**Please Note:** It remains the client's responsibility to promptly notify DMJWA if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising DMJWA's previous recommendations and/or services.

#### ***IV. ERISA Employer Sponsored Retirement Plan Services***

DMJWA offers fiduciary and non-fiduciary services to employer sponsored retirement plans including but not limited to 401(k) plans. Advisory services provided may vary by plan client, but typically includes: non-discretionary investment management solutions and participant education services, among other services. DMJWA acts as an ERISA Section 3(21) fiduciary for plan sponsors. We, in turn, acknowledge our status as a fiduciary and assume such fiduciary duties, responsibilities, and obligations.

**Retirement plan services may include, but are not limited to:**

- Identifying investment objectives and restrictions
- Providing guidance on various assets classes and investment options
- Recommending mutual funds or other investment vehicles in ways designed to achieve objectives
- Monitoring performance of the plan's investment options and making recommendations for changes, where appropriate
- Recommending other service providers, such as record keepers, custodians and administrators

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

#### ***Co-Advisory Management Services***

DMJWA may offer investment advisory services through use of third-party money managers ("Outside Managers" and "Sub-Advisers") for portfolio management services. We assist clients in selecting an appropriate allocation model, completing the investor profile questionnaire, interacting with the Outside Manager and reviewing the Outside Manager. We will meet with the client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account.

Before selecting other advisers for clients, DMJWA will always ensure those other advisers are properly licensed or registered as an investment adviser. DMJWA conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. DMJWA then makes investments with a third-party investment adviser by referring the client to the third-party adviser. DMJWA will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

Specifically, DMJWA will direct clients to SEI Private Trust Company and its affiliates (collectively, "SEI"), which include the investment advisory firm SEI Investments Management Corporation [CRD#105146] ("SIMC") and the broker-dealer SEI Investments Distribution Co. [CRD#10690]. SEI has developed a standard managed account solutions ("MAS"), which program includes SEI's distribution focused strategies, an integrated managed account solutions providing a tax overlay service ("Tax Management") and a Goals Based Investing managed account solutions, consisting of MAS and Tax Management portfolios invested in accordance with SEI's goals-based investment solutions and, may, in the future, develop additional managed account solutions (collectively, the "Managed Account Solutions").

Under this program, SIMC acts a co-investment advisor to the client, along with DMJWA, pursuant to a tri-party investment management agreement executed among SIMC, DMJWA and each client investing assets into the Managed Account Solutions (the "Tri-party Agreement").

For each Managed Account Solutions, SIMC is responsible for developing managed account portfolios designed to be invested in accordance with a stated investment objective (the "Managed Account Portfolios"). For each Managed Account Portfolio, other than the Managed Account Portfolios implementing distribution-focused strategies (the "DFS Portfolios"), SIMC is solely responsible for screening, reviewing and selecting the various money managers and/or individual mutual funds and other assets available for selection by DMJWA and their clients designed to meet the specific Managed Account Portfolio's stated investment objective or goal.

For each DFS Portfolio, SIMC is responsible for selecting the SEI funds and/or other assets underlying each DFS Portfolio and actively managing each client's account invested in a DFS Portfolio in accordance with the portfolio's investment objectives.

Pursuant to the Managed Account Solutions, SIMC will provide to DMJWA, and its investment adviser representatives of DMJWA the following services:

- Make available to DMJWA and its investment adviser representatives of DMJWA Managed Account Portfolios developed solely by SIMC and designed to achieve specific investment objectives or goals, and, pursuant to which the clients, with recommendations from investment adviser representatives of DMJWA, will select from a list of available money managers (which may include SIMC), SEI mutual funds, and/or other assets and, in the case of DFS Managed Account Portfolios, investment strategies managed solely by SIMC, and which SIMC has determined: (i) as to available money managers, will invest in accordance with the Managed Account Portfolio's stated investment objective or goal; and (ii) as to available individual mutual funds and other assets, are intended to help achieve the specific Managed Account Portfolio's stated investment objectives or goals.
- In its sole discretion, rebalance the model asset allocation mix of the Managed Account Portfolios (including adding, removing or otherwise changing money managers available to manage assets within a portfolio, or the mutual funds or other assets available), as necessary to remain consistent with the model Managed Account Portfolio's investment objectives and otherwise be fully responsible for determining that the Managed Account Portfolios remain invested consistent with their stated investment objective or goal and will notify DMJWA of any money manager change.
- Through a proprietary web-based portfolio modeling system, recommend to DMJWA one or more Managed Account Portfolios that may meet a client's investment

objective(s), based solely on that client's financial and other information provided to SEI by DMJWA.

- In its role as co-advisor to clients in the Managed Account Solutions, manage each Managed Account Portfolio, including, without limitation, (i) monitoring the performance of each selected money manager, in accordance with the portfolio's stated investment objective or goal and in accordance with the terms of the Tri-party Agreement and (ii) for client accounts invested in DFS Portfolios, be solely responsible for selecting, managing and rebalancing the SEI funds or other assets included in the client accounts necessary for such accounts to be and remain invested in accordance with the applicable DFS Portfolio's investment objective, as selected by clients with the assistance of investment adviser representatives of DMJWA.

DMJWA has legacy clients that have an existing relationship with Brinker Capital, Inc. ("Brinker"). DMJWA generally does not refer new clients to Brinker, this is only for clients who have a preexisting relationship with Brinker that were transferred to DMJWA when the registration was established with the SEC. DMJWA legacy clients are using the "Destinations" program which is a discretionary Brinker-managed Asset Allocation program using Brinker Capital's affiliated mutual funds, unaffiliated mutual funds and/or ETF's to implement investment strategies. Clients with an existing Brinker relationship should review their contract or speak with their advisors for fee information and the nature of the advisory relationship.

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

DMJWA generally limits its investment advice to mutual funds, fixed income securities, insurance products including annuities, equities, ETFs and private placements. DMJWA may use other securities as well to help diversify a portfolio when applicable.

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

DMJWA will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by DMJWA on behalf of the client. DMJWA will take a goals based approach where DMJWA will evaluate risk tolerance (as measured by FinaMetrica and/or Riskalyze) along with time-horizon for use of funds and return needed. DMJWA may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent DMJWA from properly servicing the client account, or if the restrictions would require DMJWA to deviate from its standard suite of services, DMJWA reserves the right to end the relationship.

## **D. Wrap Fee Programs**

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

## E. Assets Under Management

DMJWA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 323,189,946.00	\$ 161,262,145.00	December 2019

## Item 5: Fees and Compensation

### A. Fee Schedule

#### ***Wealth Management Services Fees***

The client can determine to engage DMJWA to provide discretionary Wealth Management Services (financial planning and investment management) on a *fee* basis. The client should have a minimum of \$1,500,000 for Wealth Management Services. Some clients' fee schedules may be based on prior contractual arrangement and/or historical fee schedules that differ from the schedules below. DMJWA's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under DMJWA's management as follows:

	<b>Assets Under Management</b>	<b>Annual Fee (as a percentage of assets)</b>
First	\$500,000	1.15%
Next	\$500,000	1.10%
Next	\$2,000,000	0.90%
Next	\$2,000,000	0.80%
Next	\$5,000,000	0.75%
Next	\$15,000,000	0.50%

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The advisory fee is calculated using the value of the assets in the account on the last business day of the billing period.

The final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of DMJWA's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

The advisory fee is based upon a customary engagement where we are managing 75% or greater of the clients marketable securities and we are providing standard planning services as explained in Item 4. Section B. Types of Advisory Services. However if we are managing a

smaller portion of overall marketable securities or providing services outside of what we would call customary, DMJWA could negotiate an additional planning fee. These would normally be services for planning advice during a divorce, estate settlement, real estate evaluation etc. We would discuss this with you prior to establishing an engagement and determine a mutually agreed upon fee for services.

DMJWA reserves the right to apply adjustments to Wealth Management Services fees based upon complexity of the engagement.

***Investment Management Services (stand-alone)***

The Investment Management Services agreement is for clients focused on investment of assets.

	<b>Assets Under Management</b>	<b>Annual Fee (as a percentage of assets)</b>
First	\$ 500,000	1.10%
Next	\$ 500,000	0.80%
Next	\$ 2,000,000	0.70%
Next	\$ 2,000,000	0.60%
Next	\$ 5,000,000	0.50%
Next	\$ 15,000,000	0.35%

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DMJWA reserves the right to apply adjustments to Investment Management Services (stand-alone) fees based upon complexity of the engagement.

Should an investment management only client desire financial planning and related consulting services, DMJWA generally remains available to provide such services on a separate stand-alone fee basis.

***Financial Planning & Consulting Services Fees (stand-alone)***

**Fixed Fees**

The fixed rate for creating client financial plans is between \$5,000 and \$30,000.

**Hourly Fees**

The hourly fee for financial planning services for isolated advice would range between \$125 and \$395 per hour depending upon service professionals providing advice or administration.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty, for full refund of DMJWA's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

## ***ERISA Employer Sponsored Retirement Plan Services Fees***

### **Asset-Based Fees**

	<b>Assets Under Management *</b>	<b>Annual Fee (as a percentage of assets)</b>
First	\$ 500,000	1.10%
Next	\$ 500,000	0.80%
Next	\$ 4,000,000	0.50%
Next	\$ 5,000,000	0.25%
Next	\$ 10,000,000	0.10%
Next	\$ 20,000,000	0.05%
Next	\$ 50,000,000	0.03%

Fee for Plans with less than \$500,000 additional \$2,500

Fee for Plans with less than \$4,000,000 includes additional \$1,500

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*\* DMJWA uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.*

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of DMJWA's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the pension consulting agreement generally with 30 days' written notice.

### ***Co-Advisory Management Services Fees***

DMJWA will receive its standard fee on top of the fee paid to the third party adviser. This relationship will be memorialized in each contract between DMJWA and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency. Specifically, DMJWA will direct clients to SEI Private Trust Company. These fees are negotiable. DMJWA has legacy clients that have an existing relationship with Brinker. Clients with an existing Brinker relationship should review their contract or speak with their advisors for fee information.

### ***Educational Seminars/Workshops***

DMJWA provides periodic educational seminars and workshops to clients and the general public free of charge.

## **B. Payment of Fees**

### ***Payment of Wealth Management Services Fees***

Asset-based wealth management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly; clients may select the method in which they are billed. Fees are paid quarterly in arrears.

### ***Payment of Investment Management Services (stand-alone) Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly; clients may select the method in which they are billed. Fees are paid quarterly in arrears.

### ***Payment of Financial Planning & Consulting Services Fees (stand-alone)***

Fixed financial planning fees are paid via check, 100% in advance, but never more than six months in advance.

Hourly financial planning fees are paid via check, in arrears upon completion.

### ***Payment of ERISA Employer Sponsored Retirement Plan Services Fees***

Fixed pension consulting fees are paid via check. These fees are paid in arrears upon completion.

Asset-based wealth management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly; clients may select the method in which they are billed. Fees are paid quarterly in arrears.

### ***Payment of Co-Advisory Management Fees***

Fees for selection of SEI Private Trust Company as third-party adviser are withdrawn directly from the client's accounts with client's written authorization. Fees are paid quarterly in arrears.

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

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

## **D. Prepayment of Fees**

DMJWA collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

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

Charles E. Carrick, Michael R. Gillis, Sheryl W. Austin, Jeffery W. Hwang, William Bradford Mann and C. Gregory Carrick are licensed insurance agents. In these roles, they accept compensation for the sale of insurance products to DMJWA clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of insurance products for which the supervised persons receives compensation, DMJWA will document the conflict of interest in the client file and inform the client of the conflict of interest. Clients always have the right to decide whether to purchase DMJWA-recommended products and, if purchasing, have the right to purchase those products through other brokers or agents that are not affiliated with DMJWA.

Commissions are not DMJWA's primary source of compensation for advisory services. Advisory fees that are charged to clients are not reduced to offset the commissions or markups on insurance products recommended to clients.

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

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

## **Item 7: Types of Clients**

DMJWA generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

DMJWA's methods of analysis include Modern portfolio theory.

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

#### *Investment Strategies*

DMJWA uses long term trading.

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

### B. Material Risks Involved

#### *Methods of Analysis*

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

#### *Investment Strategies*

**Long term investing** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk. For clients where a third-party adviser is utilized, DMJWA will seek to select only money managers who will invest clients' assets with the highest level of integrity. However, DMJWA's selection process cannot ensure that money managers will perform as desired and DMJWA will have no control over the day-to-day operations of any of its selected money managers. DMJWA would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

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

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

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

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

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

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

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

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

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

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

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

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

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

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

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

Certain representatives of DMJWA are also accountants with and/or principals of DMJ & Co. PLLC (a CPA firm under common control with DMJWA) and/or licensed insurance agents.

They will offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. DMJWA always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of DMJWA in connection with such individual's activities outside of DMJWA.

## **D. Selection of Other Advisers or Managers**

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

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

## **A. Code of Ethics**

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

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

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

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

From time to time, representatives of DMJWA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of DMJWA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. DMJWA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of DMJWA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of DMJWA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, DMJWA will never engage in trading that operates to the

client's disadvantage if representatives of DMJWA buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on DMJWA's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and DMJWA may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in DMJWA's research efforts. DMJWA will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

DMJWA recommends Schwab Institutional, a division of Charles Schwab & Co., Inc., SEI Private Trust Co., Empower Retirement- GWFS, Equities, Inc, Ascensus Trust Company, Fidelity Brokerage Services LLC and Jefferson National Securities Corp.

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

While DMJWA has no formal soft dollars program in which soft dollars are used to pay for third party services, DMJWA may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). DMJWA may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and DMJWA does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. DMJWA benefits by not having to produce or pay for the research, products or services, and DMJWA will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that DMJWA's acceptance of soft dollar benefits may result in higher commissions charged to the client. Please see Item 14 for additional description of benefits offered by custodians.

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

DMJWA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

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

DMJWA may permit clients to direct it to execute transactions through a specified broker-dealer. Clients must refer to their advisory agreements for a complete understanding of how they may be permitted to direct brokerage. If a client directs brokerage, the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers

supersedes any authority granted to DMJWA to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; [the client may be unable to participate in block trades (unless DMJWA is able to engage in “step outs”); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

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

If DMJWA buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, DMJWA would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. DMJWA would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Review of Accounts**

All advisory services provided on a *one-time basis* are reviewed by Charles E Carrick, Chief Compliance Officer, upon performance of DMJWA's services. After completion of the services, there are no further reports. However, clients may request additional plans or reports for a fee.

For DMJWA's advisory services provided on an *ongoing basis*, client accounts are reviewed at least monthly by Charles E Carrick, Chief Compliance Officer, with regard to clients' respective investment policies and risk tolerance levels. All accounts at DMJWA are assigned to this reviewer. Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance). These clients will receive a quarterly statement from the custodian, including assets held, asset value, and calculation of fees.

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

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

Other than soft dollar benefits as described in Item 12 above, DMJWA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to DMJWA clients. DMJWA and its representatives may receive added benefits. SEI benefits may include access to their Investment analysts to evaluate portfolios and markets, potentially discounts on software we may use in our business, reimbursement for lodging and meals during educational conferences and access to industry fund managers. These benefits are not a factor in selecting SEI as a manager and we would expect that these are available through most custodian or investment partner relationships.

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

The firm currently has in place an arrangement with DMJ & Co. PLLC to refer clients to DMJWA for a negotiable fee. DMJ & Co. PLLC is affiliated with DMJWA as the two entities share ownership.

DMJWA does not compensate non-advisory personnel (solicitors) for client referrals.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, DMJWA will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

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

DMJWA provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, DMJWA generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, DMJWA's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to DMJWA).

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

DMJWA will not ask for or accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

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

## **A. Balance Sheet**

DMJWA neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

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

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

DMJWA has not been the subject of a bankruptcy petition in the last ten years.