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# Form ADV Part 2A Firm Brochure

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May 20, 2022

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*This brochure provides information about the qualifications and business practices of Christy Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at (478) 314-2160 or by email at: [abby@christycapital.com](mailto:abby@christycapital.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 Christy Capital Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Christy Capital Management, Inc.'s CRD number is: 149313. Christy Capital Management, Inc. is registered as an investment advisor with the SEC. Registration with the SEC or a state securities authority does not imply a certain level of skill or training.*

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## Item 2 Material Changes

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This is an update to the Form ADV Part 2A for Christy Capital Management, Inc. (“CCM”). The following are material changes since our last Form ADV Part 2A (the “Brochure”) dated March 11, 2022:

Following is a summary of the material changes in this Brochure:

- We described CCM’s new Co-advisor relationship

Each year, within 120 days of the end of our fiscal year, CCM will provide clients with either: (a) an updated Brochure containing or accompanied by a summary of material changes to the Brochure; or (b) a summary of material changes along with an offer to send a copy of the updated Brochure and instructions on how clients can obtain a copy of the updated Brochure.

Because CCM’s fiscal year ends on December 31st, clients should receive the revised Brochure or a summary of material changes (if any) no later than April 30<sup>th</sup> each year. In addition, we will provide more frequent updates about material changes to certain information about CCM (e.g., disciplinary information) or that could affect our advisory relationship with you, as necessary.

If you have any questions about this Brochure or Christy Capital Management, Inc. please give us a call at (478) 314 - 2160 or send an email to [abby@christycapital.com](mailto:abby@christycapital.com).

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## **Item 4** **Advisory Business**

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### **A. General Description of Christy Capital Management, LLC**

Christy Capital Management, Inc. (“CCM”) is an SEC-registered investment advisor, with its principal offices located in Macon, Georgia. CCM has been in business since December 14, 2005, and the firm’s principal owner is Brandon S. Christy. Christy Capital Management, Inc. and its representatives are engaged in the business of providing financial, investment advisory and insurance services to its customers. In this capacity, we also operate as a state licensed insurance agency and investment advisory firm in the states in which we are properly licensed to conduct business. In January 2018, the firm transitioned from state registration to SEC registration.

### **B. Description of CCM’s Advisory and Related Services**

CCM provides the following advisory services to its clients:

- Investment Advisory and Wealth Management Services
- Federal Employee Benefit Analysis
- Estate Conservation
- Tax Planning
- Retirement Strategies
- Insurance and Annuity Products
- Financial Reviews

For Investment Advisory and Wealth Management Services, CCM will, based on a client's individual circumstances and needs, recommend an appropriate investment program to the client. CCM is able to develop an investment recommendation that are tailored to our client’s need by closely communicating with clients. CCM listens carefully to our client’s needs and characteristics to design an investment plan that aligns with the client’s vision, values and objectives.

Factors considered in making these recommendations include account size, risk tolerance, the opinion of each client, client's individual objectives and needs, and CCM's investment philosophy. CCM will assist the client in reviewing the client's income and expenditures, investment objectives, risk tolerance, liquidity requirements, investment restrictions and other relevant factors. CCM recommends various types of investments, typically mutual funds, ETFs, and annuities.

CCM offers a combination of the following advisory services, where appropriate, to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates or charitable organizations and corporations or other business entities.

### ***Co-Advisor Program***

CCM recommends certain third-party investment managers ("Co-Advisors") who are not affiliated with CCM to design and manage model portfolios for client assets.

CCM assists clients in completing a client profile questionnaire and then reviews the information. The firm will then recommend a Co-Advisor and corresponding model portfolio that aligns with the disclosed risk tolerance and investment objectives. CCM will enter all asset allocations on behalf of the client into the selected Co-Advisor platform.

In a co-advisor relationship, also known as a "dual contract arrangement, the client enters into an investment advisory agreement with CCM and a separate agreement with the third-party investment manager.

The client hires CCM to provide initial and ongoing investment advisory advice and recommendations. The client hires the third-party manager to manage the selected portfolio for the benefit of the client.

CCM currently has co-advisory relationships with:

- **Beacon Capital Management**

Depending on the client's needs, CCM recommends Beacon Capital Management ("Beacon") to manage their assets. Beacon provides model portfolios comprising a diverse group of exchanged-traded funds ("ETFs") and mutual funds ("Funds"). Beacon will invest the Client assets into the model portfolio strategy recommended by CCM and approved by the client. Beacon Capital Management manages the portfolio for the Client based upon the investment objectives, constraints, and philosophy of the portfolio selected by the client. Beacon or the custodian of the client's assets also provides to the client, at least quarterly, an account statement.

- **Orion Portfolio Solutions**

Based upon the needs of the client, CCM recommends Orion Portfolio Solutions (previously

“FTJ FundChoice,”) to manage assets. Upon the client’s approval of CCM’s recommendations, client assets will be invested in the Orion Portfolio Solutions (“Orion”) model portfolio strategy indicated based upon client’s investment goals and needs. Orion will manage the assets according to the selected portfolio strategy.

Whether the client is invested with Beacon Capital Management or Orion Portfolio Solutions, Christy Capital Management does not have discretionary authority to make trades in the client’s account. Under their separate contract with Beacon or Orion, the client does grant Beacon or Orion discretionary authority to make trades within the client’s account without Beacon or Orion seeking the client’s pre-approval.

CCM will obtain the client’s consent before moving client assets between various Co-Advisor platforms or between the model portfolios provided by the Co-Advisor. The Co-advisor will implement the model for the client’s account by acquiring the fund shares that are represented in the selected model portfolios. We will be available to answer questions that you may have regarding your account and act as the communication conduit between you and the Co-Advisors.

You should be aware that there may be other Co-Advisor managed programs and other third-party managers not recommended by our firm that are suitable for you and that may be less costly than arrangements recommended by CCM.

- **Retirement Plan Services**

Where a client has engaged CCM to provide retirement plan services, we will provide non-discretionary investment advisory services to Client as outlined in ERISA §3(21), as well as plan participant education. In general, we divide the ERISA §3(21) fiduciary responsibilities with another registered investment advisor, such as PHD Retirement Solutions, with whom the client will have a separate contractual relationship. In such cases, we and the other registered investment advisor will split the §3(21) fee.

### ***Subadvisor Program***

For clients who grant CCM discretionary authority over their assets, CCM contracts with certain third-party investment managers who are not affiliated with CCM to design and manage model portfolios. Unlike the co-advisor program described above, the client does not have a direct contractual relationship with the third-party manager. Instead, CCM selects and contracts with that manager or managers in what is called a subadvisor relationship.

CCM assists clients in completing a client profile questionnaire and then reviews the information provided. The firm will then either recommend a Co-Advisor program, as described above, or and the subadvisor program described here, corresponding to the

client's disclosed risk tolerance and investment objectives. CCM delegates discretionary authority to the subadvisor to manage assets, but retains the authority to hire or terminate any manager. Because clients grant CCM discretionary authority in the subadvisor program, CCM will not obtain the client's consent before hiring or terminating any subadvisor or reallocating assets between subadvisors.

CCM currently has a subadvisor relationship with EverSource Wealth Advisors, LLC, which designs and manages model portfolios for CCM and provides such back-office services as reporting, billing, compliance consulting, and assistance with technology.

For information about the costs associated with these Co-Advisor and subadvisor programs, please see [Item 5](#).

No guarantees can be made that your financial goals or objectives will be achieved through the managed account program or by a recommended/selected Co-Advisor or subadvisor. Further, no guarantees of performance can ever be offered by our firm.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more details.)*

## **Rollover Recommendations**

For clients who are participants in a retirement plan, we will evaluate whether it is in their best interest to “roll over” their plan account to an individual retirement account (“IRA”), move their assets to a different retirement plan, leave the plan as is, or reallocate the assets in the plan account. CCM will generally earn a fee if the client elects to rollover the plan account or to contract with CCM for the provision of investment advice on the plan account assets. This creates a conflict of interest and an incentive for CCM to recommend a rollover rather than leaving the account as is. CCM discloses this conflict, advises the client of its fiduciary status and documents the rationale for any rollover recommendation. This is true as well when CCM recommends Retirement Management Systems, Inc. (described below).

## **Recommendation of Other Advisors**

For individuals who are participants in a retirement plan, CCM takes the client through a risk tolerance questionnaire and, in some cases, recommends the client consider engaging Retirement Management Systems, Inc. (“RMS”), an unrelated registered investment advisor, to manage their plan account. CCM only makes such a referral where it is in the best interest of the plan participant and where RMS's advisory fees are reasonable, as documented in CCM's records. RMS pays CCM a solicitation fee for such referrals pursuant to a written agreement which requires CCM to deliver RMS's Form ADV Part 2A and to obtain the client's signature on a statement disclosing the solicitation relationship and fee. RMS's advisory fee

charged to a referred client is not increased as a result of the payment of a referral fee to CCM.

Until June 2017, CCM was in a solicitation relationship with Beacon Capital Management under which CCM referred clients to Beacon based upon an evaluation of the client's circumstances and objectives. In that relationship, Beacon paid CCM an ongoing referral fee which was a percentage of the fee Beacon received from the client. Starting in 2017, CCM ended that solicitation arrangement as to future clients and requested that existing clients execute a Client Services and investment Management Agreement with CCM and a separate agreement with either Orion or Beacon. This is the dual contract or co-advisor relationship described above. While most CCM clients have transitioned to a co-advisor relationship, there are still some clients under the solicitation agreement. Each solicitation arrangement is governed by a written solicitation agreement and complies with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

For those clients who are still under the Beacon solicitation arrangement, CCM is available to answer questions that clients have regarding their account and to act as the communication conduit between clients and the third-party money manager.

### ***Consulting Services***

CCM offers ongoing advisement consultations for clients regarding 529 college savings plans. When providing these services, we review the client's financial situation, goals and objectives, as well as the investment options available in the 529 plan. CCM will review the 529 plan account at agreed-upon intervals and will make recommendations from the list of available investment options in the 529 account as it deems appropriate and consistent with the client's stated investment objectives and risk tolerance. The client should be aware that 529 college savings plans usually limit how often an account owner can reallocate existing assets within a 529 college savings plan account. CCM does not have investment discretion or trading authority over 529 plan accounts. The client must determine whether or not to implement CCM's advice and implement any trades.

CCM also offers advice to clients regarding asset allocation benefits selections for clients regarding employment and retirement benefits. However, CCM does not offer investment advice for assets held in employer sponsored retirement plans (i.e. 401(k), 403(b), or TSP). At the client's request, CCM may recommend a third party to manage portfolio models within these employer sponsored plans, such as RMS. The services under this Agreement do not constitute asset management services or asset advisory services for Client's accounts; CCM will not have investment discretion or trading authority over Client's accounts. Client will determine whether or not to implement CCM's advice. These consultations will cease once Client has made benefits selections. The implementation of any asset allocations or benefits elections will be solely the responsibility of Client.

## Financial Reviews

In 2022, CCM began offering a limited “financial review” to new clients for \$500.00 as a service to those clients to help them obtain a better understanding of their financial situation and future. After signing the Financial Review Agreement, the client provides personal and financial information to CCM and CCM provides to the client a risk tolerance analysis, a financial goals review, the client’s current investment allocation, and an asset allocation blueprint. A CCM financial advisor then schedules a meeting with the client to present the information and answer questions. Clients who wish to engage CCM for additional planning, advisory or other services must execute CCM’s standard client agreement.

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

CCM limits its investment advice to mutual funds, ETFs, equities, bonds, fixed income, debt securities, third party money managers, REITs, insurance products including annuities, and government securities. CCM may use other securities as well to help diversify a portfolio when applicable.

### **B. Client-Tailored and Client-Imposed Restrictions**

CCM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client profile which outlines each client's current situation (income, tax rates, and risk tolerance levels) and is used to construct a client-specific plan to aid in the selection of a portfolio that matches restrictions, needs, and goals.

Clients may impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent CCM from adequately servicing the client account, or if the restrictions would require CCM to deviate from its standard suite of services, CCM reserves the right to decline or end the relationship.

### **C. Wrap Fee Programs**

CCM does not presently participate in wrap fee programs.

### **D. Assets Under Management**

As of December 31, 2021, our assets under management were as follows:

Assets Managed on Discretionary Basis	\$	0
Assets Managed on Non-Discretionary Basis	\$	260,660,763
<b>Total Assets Under Management</b>		<b>\$260,660,763</b>

## Item 5 Fees and Compensation

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### A. Advisory Fees and Compensation

#### *Managed Account Programs*

Fees for services provided through the Co-Advisor Managed Account Program and the Subadvisor Program are charged based on a percentage of assets under management paid monthly, in arrears, based upon the market value of the Assets on the last business day of the previous quarter. No increase in the annual fee percentage shall be effective without prior written notification to and consent of the client.

The services under the Co-Advisor Program continue in effect until terminated by any party (i.e., CCM, Co- Advisor, or the client) by providing written notice of termination to the other parties. The services under the Subadvisor Program likewise continue until terminated by Advisor or client. If services are terminated at any time other than the last business day of the month, fees for the final billing period will be determined on a pro rata basis using the number of days services are actually provided during the final period.

Fees for investment advisory services are negotiable based upon the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds or ETFs), the potential for additional account deposits, the relationship of the client with the investment adviser representative, the total amount of assets under management for the client, and the third-party manager selected.

The annual fee for asset management services in the Co-Advisor Program will be no more than an annual fee of 1.95%, of the account value, calculated as described above. Of this fee, CCM will receive up to 1.4%, with the Co-advisor receiving the remainder. For the Subadvisor Program, Advisor's annual fee shall be no more than 1.80% of the account value, including the Subadvisor's fee.

The specific annual fee to be charged will be specified in the client's agreement with CCM. Pursuant to the authority granted by the client in the agreements with CCM and, as appropriate, with the co- advisor, this asset management fee will be deducted directly from the client's account and paid directly to the third-party manager and CCM. Clients must authorize the qualified custodian(s) of your account to deduct fees from their account and to pay such fees directly to the third-party manager and CCM. Clients should review account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

CCM believes that its fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our fee may be higher than that charged by other investment advisers offering similar services/programs.

In addition to the fee paid to CCM and the co-advisor, clients may also incur additional fees. CCM's fees are exclusive of (meaning they do not include) transaction fees, broker commissions, and other related expenses incurred in connection with servicing client accounts or otherwise arising out of transacting business for or on behalf of clients. Also, the qualified custodian which holds your account may charge a separate commission, ticket charge or fee for executing securities transaction. CCM does not receive any portion of such commissions, ticket charges or custodial fees from the qualified custodian or otherwise.

Other third party charges the client may incur in connection with investments made through the account include, ETF sales loads and management fees, sales charges and management fees for alternative investments, mutual fund sales loads, periodic mutual fund fees (e.g. 12b-1 trails) and surrender charges, IRA and qualified retirement plan fees. Management fees charged 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 the prospectus for each investment company security.

As discussed in Item 4.A. above, CCM was until June 2017 in a solicitation relationship with Beacon Capital Management and is still in such a relationship with Retirement Management Services, Inc. ("RMS") under which CCM referred clients to Beacon or RMS based upon an evaluation of the client's circumstances and objectives. In those relationships, Beacon or RMS paid CCM an ongoing referral fee which was a percentage of the fee Beacon or RMS received from the client. Starting in June 2017, CCM ended that Beacon solicitation arrangement as to future clients and requested that existing clients execute a Client Services and investment Management Agreement with CCM and a separate agreement with CCM and either Orion or Beacon. While most CCM clients referred to Beacon under the solicitation relationship have transitioned to a co-advisor relationship, there are still some clients under the solicitation agreement. Each solicitation arrangement is governed by a written solicitation agreement and complies with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

A complete description of any third-party money manager's services, fee schedules and account minimums were disclosed in the third-party money manager's disclosure brochure which provided to the client prior to or at the time the account was established.

The actual fee charged varies depending on the third-party money manager. All fees are calculated and collected by the third-party money manager who is responsible for delivering CCM's portion of the fee. The referral fee paid to CCM does not increase the fee paid by the client to the third-party money manager. Under this program, clients may incur additional charges including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees.

CCM has a conflict of interest in only recommending those third-party money managers that have agreed to pay a portion of CCM's advisory fee to CCM and that have satisfied the conditions of CCM's due diligence review. There may be other third-party money managers that may be suitable for clients that may be more or less costly. The portion of the advisory fee paid

to CCM may be negotiated by the investor and their advisor. No guarantees can be made that your financial goals or objectives will be achieved. Further, no guarantees of performance can be offered.

- **Retirement Plan Services**

Where a client has engaged CCM to provide retirement plan services, we will provide non-discretionary investment advisory services to Client as outlined in ERISA §3(21), as well as plan participant education. In general, we divide the ERISA §3(21) fiduciary responsibilities with another registered investment advisor, such as PHD Retirement Solutions, with whom the client will have a separate contractual relationship. In such cases, we and the other registered investment advisor will split the §3(21) fee.

### ***Financial Planning and Consulting Services Fees***

Fees charged for our 529 Consulting Services are charged based on a percentage of asset value of the account, billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period. Fees charged for our consulting services are negotiable at the discretion of the Advisor based upon other business activity conducted by the client and the relationship of the client to the advisor.

The annual fee for 529 Consulting Services will generally be 1.40%. CCM believes that its annual fee is reasonable in relation to: (1) services provided; and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses). CCM does not receive any portion of those additional charges.

In 2022, CCM began offering a limited “financial review” to new clients for \$500.00 as a service to those clients to help them obtain a better understanding of their financial situation and future. After signing the Financial Review Agreement, the client provides personal and financial information to CCM and CCM provides to the client a risk tolerance analysis, a financial goals review, the client’s current investment allocation, and an asset allocation blueprint. A CCM financial advisor then schedules a meeting with the client to present the information and answer questions. Clients who wish to engage CCM for additional planning, advisory or other services must execute CCM’s standard client agreement.

## **B. Payment of Fees**

Advisory fees are withdrawn directly from the client's accounts by the third-party manager with the client's written authorization. Fees are paid monthly or quarterly by the third-party manager to CCM in arrears, based upon the market value of the Assets on the last business day of the previous quarter.

Consulting Fees will be invoiced directly to each client on a quarterly basis. Clients will pay for consulting fees by remitting a check upon receipt of their quarterly invoice. The fee for a Financial Review is paid when the client signs the associated agreement.

## **C. Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e., custodian fees, mutual fund fees, ETF fees, transaction fees, etc.). For those clients still under the solicitation arrangement described above, the solicitor fees paid to CCM represent only the fees paid to us and do not reflect third party expenses and fees described above. It is important that clients understand that these fees and expenses are ultimately borne by them. Also, mutual funds and other investments may charge contingent deferred sales charges ("CDSC") or short-term redemption fees on withdrawals or redemptions. CCM is not responsible for any CDSC or short-term redemption fee charges incurred through a client account. A complete description of all fees and expenses are in the relevant prospectuses. CCM is also not responsible for any transaction costs incurred while managing client accounts. CCM advises clients to carefully review the agreement between client and the custodian, as there may be custodial fees charged to for various services.

## **D. Prepaid Fee Disclosure; Termination of Investment Advisory Relationship; Refunds**

### ***Prepaid Fees***

Consultant fees are billed monthly. CCM does not require prepayment of such fees. The Financial Review fee of \$500 is paid at the initiation of the engagement, and the Financial Review meeting will be scheduled within 15 business days after the latter of CCM receiving the Intake Form or the provision of additional information to CCM.

### ***Termination of the Investment Advisory or Financial Planning Relationship***

CCM may terminate the agreement with a client at any time by providing with written notice. Likewise, the client may terminate the agreement at any time by providing CCM with written notice. Upon termination of CCM's investment advisory services, CCM will have no obligation or authority to recommend or take any action with regard to the previously advised account. The 529 Consulting Services will terminate upon either client or CCM providing written notice of

termination to the other party. Since fees are billed in arrears, CCM will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment. You may terminate the consulting services within five (5) business days of entering into an agreement with CCM without penalty or fees due. If you terminate the consulting services after five (5) business days of entering into an agreement with CCM, you will be responsible for immediate payment of any consulting work performed by CCM prior to the receipt by CCM of your notice. Termination of the client's agreement with CCM does not necessarily terminate the client's agreement with the co-advisor, and the client must address the termination or continuation of that relationship separately.

#### **E. Additional Compensation Received by CCM**

CCM does not accept compensation, including commissions, for the sale of securities to a client.

Clients always have the option to purchase CCM-recommended products through other brokers or agents that are not recommended by CCM. A client could invest, for example, in a mutual fund

directly, without the services of CCM. In that case, the client would not receive the services provided by CCM which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

Some CCM planners are licensed insurance brokers or agents who work with various insurance companies unaffiliated with CCM. In these capacities, these individuals may recommend insurance products. These individuals and CCM may receive compensation from the sale of those products through the insurance companies, with which these individuals are appointed, in addition to the advisory fee described in Item 5.A. above. Thus, a potential conflict of interest exists between the interests of these individuals and those of the advisory clients, possibly creating an incentive for them to recommend insurance products based on the compensation received, rather than on a client's needs. However, the individuals who are licensed insurance agents do not limit their recommendations to insurance products, but strive to ensure their recommendations are appropriate for the client's tailored needs in accordance with the advisor's fiduciary duty. In addition, clients always have the option to purchase insurance products recommended by other insurance companies which have no affiliation with our firm.

Item 10 of this Brochure gives more information on Conflicts of Interest and how CCM mitigates those conflicts.

## **Item 6** Performance-Based Fees and Side-by-Side Management

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### **A. Performance-Based Fees**

CCM 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.

### **B. Side-by-Side Management and Conflicts of Interest**

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. CCM does not accept performance-based fees and so does not have any side-by-side relationships that could cause a conflict of interest to arise.

## Item 7 Types of Clients

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CCM generally provides investment advice to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Trusts, Estates, or Charitable Organizations
- Pension and other Retirement Plans

There are no minimum investment amounts or conditions required for establishing an account managed by CCM.

## **Item 8** **Methods of Analysis, Investment Strategies, and Risk of Loss**

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### **A. Methods of Analysis and Investment Strategies**

When selecting third-party asset managers, CCM investigated and interviewed several managers. In the due diligence process, CCM evaluated each manager's experience, investment strategies, historical performance, fee structure, ability to communicate and levels of risk. CCM sought counsel from peers and other professionals in the industry and compliance professionals to determine which manager best fit CCM's clients' needs and business model and which manager has the ability to invest under different economic conditions. There are currently hundreds of models available through co-advisor Orion Portfolio Solutions which CCM does not recommend, but which are reviewed frequently to evaluate their fit for our clients' goals and objectives.

CCM exclusively offers advisory services by evaluating client's investment needs, assisting the client in selecting a third-party money manager, recommending a particular investment strategy, monitoring the performance of the strategy and money manager selected, and meeting with the client at least annually to assess whether the strategy and manager are meeting the client's needs. The third-party manager is responsible for continuously monitoring client accounts and making trades in client accounts when necessary. Clients are reminded that Investing in securities involves risk of loss that clients should be prepared to bear.

### **B. Material, Significant or Unusual Risks of Investment Strategies**

Investing with a third-party manager involves risks and the manager's past performance is not an indicator or guarantee of future results. Investing in securities (including stocks, bonds, and mutual funds, ect.) involves a risk of loss. Different types of investments have various degrees of risk of loss. Clients should be prepared to bear the investment risk of loss, including loss of original principal. CCM does not control the underlying investment in a third-party manager's portfolio. There is a risk that a third-party manager could deviate from the stated investment strategy stated in the portfolio, which could be a less suitable investment for our client. CCM does not control the third-party manager's business or compliance operations. The client should be aware of this and aware of the possibility of regulatory or reputational deficiencies in CCM's lack of control of the third-party manager's operations. This risk is mitigated, however, in the case of a subadvisor relationship by CCM's authority to terminate the subadvisor's agreement.

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

Because of the inherent risk of loss associated with investing, CCM cannot to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities, as described below:

Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting

in a decrease in the value of client investments. This is also referred to as systemic risk.

Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If clients hold common stock, or common stock equivalents, of any given issuer, they would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, clients will bear additional expenses based on your *pro rata* share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.

Management Risk – Investment results vary with the success and failure of investment strategies, research, analysis and determination of portfolio securities. If investment strategies do not produce the expected returns, the value of the investment will decrease.

## **Item 9** Disciplinary Information

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CC is not required to disclose to any legal or disciplinary events that are material to a client's or prospective client's evaluation of CCM's advisory business or the integrity of its management team.

CCM has not been involved in any legal or disciplinary events that would require disclosure.

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

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### **A. Broker-Dealer Registration**

Neither Christy Capital Management nor any of our management persons (including investment advisor representatives) are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

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

Christy Capital Management is not registered, and does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person for the foregoing entities.

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

CCM is a licensed insurance agency and several associated persons of CCM are insurance agents or brokers. From time to time, associated persons will offer clients insurance advice or products. Clients should be aware that the sale of insurance products results in a commission paid to CCM and the advisor. This creates a conflict of interest if or when the commission payment exceeds the compensation CCM and the advisor would have received from the asset management fee described in Item 4.A. above. CCM and the advisor strive to satisfy the fiduciary duty they have to the client, and the firm's chief compliance officer provides training and supervision of insurance sales. Clients are never required to implement CCM's investment recommendations through any representative of CCM in their capacity as an insurance agent.

### **D. Material Conflicts of Interest Relating to Other Investment Advisors**

As described in Section 4 of this brochure, CCM has co-advisory relationships with Beacon Capital Management and Orion Portfolio Solutions. These relationships present a conflict of interest, as Beacon and Orion have agreed to pay CCM a portion of the overall fee charged to clients. Therefore, CCM has a conflict of interest in that it only recommends third-party investment advisors that have agreed to compensate CCM for clients who execute co-advisor agreements with those advisors. Likewise, CCM has a relationship with subadvisor EverSource Wealth Advisors ("EverSource") under which EverSource designs and manages investment portfolios for CCM and provides other back-office services. Those services and the compensation arrangements between CCM and EverSource create a conflict of interest because CCM is more likely to recommend EverSource as a subadvisor to clients. CCM discloses this conflict of interest to clients, performs due diligence on EverSource, Beacon and Orion, and advises clients that there may be other third-party managed programs not recommended by our firm that are suitable for the client and that may be more or less costly.

As described in Item 4.A. above, CCM was until June 2017 in a solicitation relationship with Beacon Capital Management, where CCM referred clients to Beacon based upon an evaluation of their circumstances and objectives. Beacon paid CCM an ongoing referral fee which was a percentage of the fee Beacon received from the client. Starting in June 2017, CCM ended that solicitation arrangement as to future clients and requested that existing clients execute a Client Services and investment Management Agreement with CCM and a separate agreement with Beacon. There are still some remaining clients that are on this solicitation agreement. Until March 1, 2022, CCM was in a solicitation relationship with the related firm Retirement Benefits Institute, Inc. (“RBI”). That relationship and RBI itself have been dissolved.

Clients should be aware that the receipt of additional compensation by CCM creates a conflict of interest that has the ability to impair the objectivity of the firm when making advisory recommendations. CCM remains committed to its fiduciary duty at all times to put the interest of the client first. CCM takes the following steps to address conflicts as they may arise:

1. Assess the nature and severity of conflicts of interest.
2. Take steps to eliminate, reduce, monitor, and manage the conflicts;
3. Disclose to clients conflict of interests that may exist, including the potential for the firm and its employees to earn compensation from advisory clients in addition to advisory fees;
4. Maintain accurate and complete records regarding each client, their background information, and their financial goals, objectives, and risk tolerance.
5. Regularly reviews clients’ accounts to ensure the accuracy of recommendations are tailored to the client’s needs.
6. Educates its employees and supervised persons by addressing their responsibilities of their fiduciary duty to clients.

**A. Code of Ethics**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. CCM has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons.” All employees, officers, directors and investment adviser representatives are classified as supervised persons. The Code of Ethics is designed to ensure the high standard of conduct practiced by CCM employees continues to be applied. CCM and its employees owe a fiduciary duty to CCM’s clients to conduct business, including their personal securities transactions, in such a way to : put the client’s interests ahead of their own; conduct business with trust and responsibility; avoid taking personal advantage of their position with CCM; and avoid actual or potential conflicts of interest or abuse of discretion. CCM requires its supervised persons to consistently act in your best interest in all advisory activities. CCM imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of CCM. To obtain a copy of the Code of Ethics in its entirety, send a to Abby Puckett at [abby@christycapital.com](mailto:abby@christycapital.com). Upon receipt of that request, CCM will promptly provide a copy of the Code of Ethics.

**Affiliate and Employee Personal Securities Transactions Disclosure**

CCM or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This may create a conflict of interest. It is a policy of CCM that all persons associated in any manner with our firm must place clients’ interests ahead of their own when buying or selling investments for the personal account. CCM and its associated persons may not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, from information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

- CCM strives to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, CCM has developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons).
- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to advising on transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider.”
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the Chief Compliance Officer of CCM.

## Violations

CCM requires that all violations of the Code of Ethics be reported immediately to our Chief Compliance Officer. Any associated person not observing these policies is subject to sanctions up to and including termination.

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

CCM maintains a Personal Securities Transaction Policy (“Personal Securities Policy”). The Personal Securities Policy is designed to detect and prevent conflicts of interest when persons covered by the policy trade securities which may be recommended for clients.

The Personal Securities Policy covers any account where persons covered by the policy or a member of his or her household has direct or indirect ownership, influence or control. CCM requires pre-approval for personal trades that involve private placements, IPOs or mutual funds for which CCM serves as the investment advisor. New representatives and employees of CCM are required to provide a copy of statements for all personal accounts that are covered by the Personal Securities Policy. These accounts are then reviewed and added to CCM’s monitoring system.

## C. Contemporaneous Trading and Trading in Securities Recommended to Clients

CCM does not buy securities for its own account. Therefore, no potential conflict of interest exists at the firm level.

### *Access Persons*

Access persons (i.e., a person with access to information about client accounts or investment recommendations) must submit holdings and transaction reports quarterly for "reportable securities" in which the access person has, or acquires, any direct or indirect beneficial ownership. An access person is presumed to be a beneficial owner of securities that are held by his or her immediate family members sharing the access person's household.

Rule 204A-1 under the Advisers Act treats all securities as reportable securities, with five (5) exceptions designed to exclude securities that appear to present little opportunity for the type of improper trading that the reports are designed to uncover:

1. Transactions and holdings in direct obligations of the Government of the United States.
2. Money market instruments – bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments.
3. Shares of money market funds.
4. Transactions and holdings in shares of Advisers Act funds including ETFs and Mutual Funds, unless the adviser or a control affiliate acts as the investment adviser or principal underwriter for the fund.
5. Transactions in units of a unit investment trust if the unit investment trust is invested exclusively in unaffiliated mutual funds.

The rule thus requires access persons to report shares of mutual funds advised by the access person's employer or an affiliate, and is designed to help advisers (and examiners) identify abusive trading by personnel with access to information about a mutual fund's portfolio.

### *Other CCM Employees*

All CCM employees are required to submit their personal investment account statements to the Chief Compliance Officer, who reviews them for unusual or prohibited trading activity. Employees are not required to report 401(k), 403(b) or 457 accounts, so long as they are not able to hold individual stocks in those accounts. If those accounts have a self-directed feature, the employee is required to attest that he or she has not activated that feature or otherwise has the ability to trade in public securities in that account.

## **Item 12** Brokerage Practices

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### **A. Factors Considered in Selecting or Recommending Broker-Dealers**

CCM offers investment advice and asset management services through evaluating the client's needs and objectives, recommending a co-advisor or subadvisor offering the appropriate investment portfolio, placing the client's assets in those portfolios in accordance with the client's needs and objectives, and evaluating the performance of the client's account over time. One factor in evaluating a co-advisor program or subadvisor is the broker-dealer relationship the third-party manager utilizes and whether the broker-dealer's costs and trading performance is satisfactory. Other factors include the professional services offered, commission rates, and the custodial platform provided to clients.

Participating in the co-advisor programs described in Item 4.A. could potentially cause a conflict of interest for CCM's evaluation of the broker-dealer being utilized, as the program benefits create incentives for CCM to recommend program sponsors to clients for their services.

### ***Soft Dollar Benefits***

CCM does not have a soft dollar arrangement with a broker-dealer or a third-party; however, the co-advisor firm with which we have a relationship and/or the broker-dealer that firm uses may provide research, reporting, and administrative services to CCM. This provides an additional incentive for CCM to select these co-advisor firms because CCM receives that research, reporting and administrative services without cost. However, CCM does not believe these benefits are significant or that they exceed the types and value of similar benefits provided by other broker-dealers.

### ***Brokerage for Client Referrals***

CCM does not participate in any programs providing brokerage services for client referrals.

### ***Directed Brokerage – Third-Party Managers and Programs***

Clients are required to utilize the broker-dealer selected by the unaffiliated asset management firm providing the day-to-day services to the client. Clients should be aware that each third-party manager will have their own policies and procedures regarding brokerage. Our firm does not control the brokerage practices of any third-party manager, whether a co-advisor or subadvisor. It is important that clients read and refer to the disclosure documents given by the independent registered

investment advisors or investment programs for a full understanding on the information regarding the brokerage recommendations, practices, and policies of the independent entities.

### ***Handling Trade Errors***

The third-party manager, not CCM, handles all trades in the client account. However, if CCM becomes aware of a trade error, the firm will work with the third-party manager and/or the custodian to correct the error in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error is absorbed by CCM, if the error was caused by CCM. If the error was caused by the co-advisor, the co-advisor is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. CCM may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

### ***Agency Cross Transactions***

Our associated persons are prohibited from engaging in agency cross transactions, meaning CCM will not act as brokers for both the sale and purchase of a security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

## **Item 13** Review of Accounts

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### **A. Periodic Review of Client Accounts and Financial Plans**

CCM will provide reviews as specified in its agreement with the client. Individual clients are asked to meet with their Financial Advisor at least annually. Together, the client and the Financial Advisor determine whether a change in their objectives warrants a change in the criteria used to manage their account.

Clients are advised that it is the client's responsibility to advise CCM if there are any changes in their investment objectives and/or financial situation.

### **B. Factors that Trigger Review of Client Accounts on Non-Periodic Basis**

Reviews can be triggered by material market, economic or political events, or by changes in a client's financial or life circumstances (e.g., retirement, termination of employment, physical move, or large inheritance).

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

In addition to the monthly statements that clients receive from their custodian or broker-dealer, CCM provide periodic market commentary. Certain clients may receive additional or alternative reports, as contracted at the inception of the advisory relationship.

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

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### **Economic Benefits for Providing Advice or Services to Clients**

The only compensation CCM receives for providing advisory services is the fee described in Item *Item 5* of this Disclosure Brochure. CCM does not receive any other compensation in connection with providing investment advice, except for the insurance commissions described in Items 5.E. and 10.C.

*Please see Item 5, Fees and Compensation and Item 10, Other Financial Industry Activities and Affiliations for additional discussion concerning other compensation.*

CCM 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.

### **Compensation to Non-Advisory Personnel for Client Referrals**

CCM previously provided compensation to the related firm Retirement Benefits Institute, Inc. (“RBI”), for client referrals. This relationship and RBI were both dissolved March 1, 2022. The RBI educational content on Federal benefits is now owned by CCM, which intends to place that content on a CCM website and make it freely available.

For individuals who are participants in a retirement plan, CCM in some cases recommends the client consider engaging Retirement Management Systems, Inc. (“RMS”), an unrelated registered investment advisor, to manage their plan account. CCM only makes such a referral where it is in the best interest of the plan participant and where RMS’s advisory fees are reasonable, as documented in CCM’s records. RMS pays CCM a solicitation fee for such referrals pursuant to a written agreement which requires CCM to deliver RMS’s Form ADV Part 2A and to obtain the client’s signature on a statement disclosing the solicitation relationship and fee. RMS’s advisory fee charged to a referred client is not increased as a result of the payment of a referral fee to CCM.

Please refer to [Item 5](#) and [Item 10](#) of this Brochure for a detailed explanation of these relationships and important conflict of interest disclosures.

## Item 15 Custody

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Custody is defined as any legal or actual ability by CCM to access client funds or securities.

Since all client funds and securities are maintained with a qualified custodian, CCM does not take physical possession of client assets. However, under the current SEC rules, the firm is deemed to have constructive custody of client assets because it has the authority to directly debit client custodial accounts for payment of its advisory fees. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact CCM as soon as possible if they believe that there may be an error or discrepancy in their statement. Clients should carefully review those statements promptly.

We do not accept authority to sign checks or otherwise disburse funds on behalf of any of our advisory clients. However, certain clients have established asset transfer authorizations which permit the qualified custodian to rely upon instructions from CCM to transfer client funds to third parties. According to SEC guidance, CCM is considered to have custody of those client assets subject to such a “standing letter of authorization” or “move money” form. CCM works with the qualified custodian in these situations to satisfy the SEC’s guidance, including requiring clear and specific written instructions from the client and ensuring the client has the ability to terminate or change the instructions at any time.

## **Item 16** Investment Discretion

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CCM does not maintain discretionary authority over client accounts for clients in the Co-Advisor Program and asset management services in that program are provided on a non-discretionary basis. CCM does have discretionary authority over client accounts in the Subadvisor Program.

Non-discretionary means CCM is required to seek client's consent before any contemplated transaction in an account. Discretionary means CCM is not required to seek client's consent before any contemplated transaction in an account.

## **Item 17** Voting of Client Securities

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CCM will not ask for, nor accept voting authority for client securities. Clients will receive their proxies directly from their custodian or issuer of the security. Clients should direct all proxy questions to the issuer of the security. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications concerning the client's investment assets.

## **Item 18** Financial Information

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### **A. Balance Sheet**

CCM does not require nor solicit payment of fees in excess of \$1,200 per client more than six (6) months in advance, therefore, is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Likely to Impair EverSource's Ability to Meet Client Commitments**

Neither CCM nor its management have any financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to its clients.

### **C. Bankruptcy Petitions**

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

[END OF PART 2A OF FORM ADV]