



ChappelWood Financial Services Corp.

Form ADV Part 2A – Firm Brochure

CRD # 134318

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Date of Brochure: September 8, 2020

**This Brochure provides information about the qualifications and business practices of ChappelWood Financial Services Corp. (CFS or the Advisor) and its investment advisor representatives. The Securities and Exchange Commission (SEC) as well as applicable state securities regulatory authorities require that we provide all clients of CFS (Clients) and prospective Clients a copy of this Brochure and any related supplements.**

**If you have any questions about the contents of this Brochure, please contact us at [Office@ChappelWood.com](mailto:Office@ChappelWood.com).**

**Additional information about CFS is also available via the SEC's website [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov). The SEC's website also provides information about any persons affiliated with CFS who are registered as an investment advisor representative of CFS.**

**CFS is a state-registered registered investment advisor. Registration does not imply a certain level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities regulatory authority.**

## **Item 2 - Material Changes**

CFS reports the following material changes since the last annual update of this brochure dated January 1, 2019.

Victoria L. Woods, CEO and Chief Investment Advisor of CFS , became a shareholder in AssetMark Financial Holdings Inc., a publicly held company traded on the NYSE (together with its subsidiaries, including AssetMark Investment Services Inc. and AssetMark, Inc., “AssetMark”). CFS and AssetMark are parties to an Advisor Agreement pursuant to which CFS pays AssetMark certain ongoing fees to have access to AssetMark’s proprietary asset allocation and account management system (“Platform”), which enables CFS to establish client accounts on the Platform and provide asset allocation utilizing AssetMark’s investment system. These fees payable by CFS to AssetMark are deducted from the Financial Advisor Fee payable to CFS by CFS’s Clients, and is not an additional fee paid by such Clients. However, in order to maintain Clients’ accounts on the AssetMark Platform, Clients are required to also enter into a Client Services Agreement with AssetMark, pursuant to which such Clients are charged a Platform Provider Fee by AssetMark, which is in addition to the Financial Advisor Fee paid to CFS. Additionally, CFS receives certain business development allowances from AssetMark for reimbursement of qualified marketing/practice development expenses incurred by CFS, as well as certain other allowances and direct and indirect support from AssetMark, as more fully described in the Client Services Agreement with AssetMark, included within Appendix I to this Brochure. Accordingly, Ms. Woods’ ownership of AssetMark stock represents a potential conflict of interest.

**Item 3 -Table of Contents**

Item 1 – Cover Page..... 1

Item 2 – Material Changes ..... 2

Item 3 – Table of Contents..... 3

Item 4 – Advisory Business ..... 4

Item 5 – Fees and Compensation ..... 6

Item 6 – Performance-Based Fees and Side-By-Side Management .....8

Item 7 – Types of Clients .....8

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

Item 9 – Disciplinary Information .....9

Item 10 – Other Financial Industry Activities and Affiliations .....9

Item 11 – Code of Ethics .....10

Item 12 – Brokerage Practices .....12

Item 13 – Review of Accounts.....13

Item 14 – Client Referrals and Other Compensation.....14

Item 15 – Custody .....14

Item 16 – Investment Discretion.....15

Item 17 – Voting Client Securities.....15

Item 18 – Financial Information .....15

Item 19 – Requirements for State-Registered Advisors .....16

#### **Item 4 – Advisory Business**

- A. CFS was founded in 1989, and offers personalized investment advisory services to high net worth individuals, trusts, estates, charitable organizations, corporations, and other business entities. The firm’s CEO and principal owner is Victoria Woods. CFS is a corporation formed under the laws of the State of Oklahoma.
  
- B. CFS provides a wide range of advisory services including, but not limited to, investment advice, financial planning, insurance planning, income and cash flow management, Social Security optimization, legacy planning, and educational seminars and workshops. Investment advice is limited to mutual funds, individual stocks and bonds, ETFs, and other securities. Insurance advice is primarily limited to fixed and indexed annuities, life insurance, long-term care insurance, and long-term disability insurance. As needed, CFS’s investment advisor representatives (Advisory Representatives) provide advice related to real estate and business transactions. Advisory Representatives do not give legal or tax advice, but refer Clients to professionals who do. CFS does not represent, warrant, or imply that the services or methods of analysis employed by it or its Advisory Representatives can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines.

CFS, through its Advisory Representatives, will typically provide a variety of financial planning services, principally advisory in nature, to Clients regarding the management of their financial resources, based upon an analysis of the respective Client’s needs.

Generally, such financial planning services will involve preparing a financial program for a Client based on the Client’s financial circumstances and objectives. This information normally would cover present and anticipated assets and liabilities, including insurance, savings, Investments, and anticipated retirement or other employee benefits.

The program developed for a Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or invest funds in securities. The Advisory Representatives on behalf of the Advisor may develop tax or estate plans for Clients or refer Clients to an accountant or attorney.

The Advisory Representatives on behalf of the Advisor may also create a cash flow analysis or work with and advise the Clients as to the rearrangement of cash flow in order to fund certain long-term objectives such as buying a house, planning for college, retirement, etc.

Advisory services are tailored specifically for each Client through a robust discovery and needs analysis process. This process includes analyzing risk tolerance, time horizon, income needs, and other specific financial goals. Through regular strategy reviews, CFS stays abreast of its Clients’ changing needs. Clients may impose restrictions on investing in certain securities or types of securities.

- C. CFS has contracted with AssetMark (the “Platform Provider”), to provide certain investment advisory, asset allocation and individual account management services (“Platform”), with respect to the assets of CFS’s Clients under management by CFS (referred to as a Client’s “Portfolio”). In order to maintain Clients’ accounts on the AssetMark Platform, Clients are required to enter into a Client Services Agreement with AssetMark, in addition to the Registered Investment Advisory Contract (“Investment Advisory Agreement”) that each Client enters into with CFS. Pursuant to the Client Services Agreement with AssetMark, Clients are charged a Platform Provider Fee by AssetMark, which is in addition to the Financial Advisor Fee paid to CFS pursuant to the Investment Advisory Agreement. See Item 5., FEES AND COMPENSATION.

The Platform includes mutual funds, exchange-traded funds (ETFs), and various privately managed account investment solutions (“Solution Types”), or a blend of these investment solutions, each with a number of options and a range of risk/return profiles (the “Risk/Return Profiles”) and investment approaches (each, an “Investment Approach”) so that CFS and the Client can customize a strategy (“Strategy”) by which a particular investment account within the Portfolio (each, an “Account”) will be maintained pursuant to the AssetMark Client Services Agreement.

For Accounts invested in mutual funds, ETFs, and/or a blend of such Solution Types, CFS will advise the Client with respect to the selection of a Risk/Return Profile, and a corresponding Investment Approach established and maintained by one of the investment management firms providing such models to the Platform (the “Portfolio Strategists”), in order to specify a Strategy for each Account.

**THE ASSETMARK CLIENT SERVICES AGREEMENT MUST BE EXECUTED BY CLIENT IN CONNECTION WITH CLIENT’S EXECUTION OF THE INVESTMENT ADVISORY AGREEMENT WITH CFS, AND SHOULD BE READ IN FULL BEFORE EXECUTION OF THE INVESTMENT ADVISORY AGREEMENT WITH CFS.**

- D. CFS manages client assets on a non-discretionary basis. As of December 31, 2019, CFS had \$47,207,440.89 in assets under management. This amount does not reflect insurance assets under management.

## Item 5- Fees and Compensation

- A. CFS is compensated for its advisory services in a variety of ways, depending on the type of service requested by the Client:

**Financial Planning Services** - Financial planning services are offered on a fixed fee basis, which is dependent upon the facts and circumstances of the Client's financial situation and the complexity of the financial plan or service requested. An estimate of total cost will be determined at the start of the advisory relationship. If the Client chooses to proceed, 50% of the estimated fee for financial planning services is due upon signing the Investment Advisory Agreement with CFS, with the remaining 50% due upon successful delivery and acceptance by Client of the plan. Financial planning fees are negotiable and arrangements with any Client may differ from those described above. The fees charged by Advisor are solely for the preparation of the comprehensive financial plan, specific financial plan, or financial consultation, and do not include any commissions that might be generated upon implementation of any securities or insurance recommendations.

**Insurance contracts** – CFS is not paid directly by Clients for insurance contracts and policies sold. Rather, the issuing insurance company pays a commission to CFS, and collects premiums directly from the Client. Commission rates are set by the issuing insurance company and are not negotiable.

**Non-Managed Financial Advisory Services** – Clients desiring an ongoing relationship with CFS, without direct management of assets, may pay a fee for time with an Advisory Representative of the Advisor on an hourly, monthly, or annual basis. This fee can range from \$250-\$500 per hour, \$100 per month, or \$1,200 per year.

### Assets Under Management

1. The assets finally transferred to and/or received by the custodian of the Account(s) to be managed by the Advisor and opened with the Platform Provider, together with all additions, substitutions, withdrawals and alterations, as agreed to by Client, are referred to as "Managed Assets." Clients are assessed a flat percentage Financial Advisor Fee by the Advisor based upon the amount of Managed Assets and the specific strategy implemented. The Financial Advisor Fee is an annualized fee computed as a sliding percentage of the total amount of Managed Assets, payable quarterly in advance, based on the value of the Managed Assets as of the close of business on the last day of the previous quarter (March 31, June 30, September 30, December 31). Currently, such fees range as follows, and will vary within the asset range depending upon the specific strategy selected and the complexity of work required to fully implement the Client's requested strategy:

#### ChappelWood Financial Advisor Fees

<b>Level of Assets</b>	<b>Fee Range</b>
\$499,999 and below	1.35% to 1.95%
\$500,000 to \$999,999	1.15% to 1.34%
\$1 million to \$1.99 million	1.00 to % 1.14%
\$2 million and above	0.90% to 0.99%

The final Financial Advisor Fee within each level of Managed Assets shall be directly dependent upon the facts and circumstances of the Client's financial situation and the complexity of the financial plan or service requested. An estimate of total cost will be determined at the start of the advisory relationship. Asset-based fees are non-negotiable.

2. Financial Advisor Fees for Managed Assets are typically debited from Clients' Accounts maintained by the Platform Provider and paid to the Advisor by the Platform Provider within the first 10 business days of the quarter for which the Financial Advisor Fee is being assessed. The full amount of quarterly Financial Advisor Fees are paid in advance, as set forth above. Clients may choose to have fees deducted from a separate bank account. THE FINANCIAL ADVISOR FEE DESCRIBED ABOVE IS EXCLUSIVE OF THE PLATFORM FEES CHARGED TO CLIENT BY THE PLATFORM PROVIDER, WHICH SUCH FEES ARE DESCRIBED IN THE CLIENT SERVICES AGREEMENT BETWEEN THE PLATFORM PROVIDER AND THE CLIENT.

3. Advice offered by the Advisor may involve investment in mutual funds. Clients are hereby advised that the Financial Advisor Fee paid to CFS for Managed Assets are separate and distinct from the fees and expenses charged by mutual funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Further, there may be transaction charges involved with purchasing or selling of securities. CFS does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the Client funds or securities. The Client should review all fees charged by mutual funds, CFS, and others to fully understand the total amount of fees to be paid by the Client.

4. The Financial Advisor Fees payable to the Advisor are paid at the beginning of each quarter. If the Client or Advisor terminates the advisory relationship under the Investment Advisory Agreement, any pre-paid Financial Advisor Fee representing fees attributable to the remaining days of the applicable quarter after the date of such termination will automatically be refunded to Client's account. The refund is determined by multiplying the quarterly fee by the percentage of time during the quarter the assets were under direct management, and subtracting such fees from the total prepaid Financial Advisor Fees paid by the Client. For example, if the assets were managed for 50% of the quarter when the Investment Advisory Agreement is terminated, then 50% of any prepaid Financial Advisor Fee would be refunded.

- B. Except as described above, neither the Advisor nor its Advisory Representatives receive compensation for the sale of specific securities or other investment products recommended. Clients are free to implement the Advisor's specific recommendations through other firms and/or advisors at their discretion. No additional commissions are received by the Advisor or its Advisory Representatives outside of the advisory fees disclosed in earlier sections of this brochure.

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

CFS does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Please refer to Item 4, Subsection A for a description of the type of clients CFS serves.

Minimum investment amounts required on the Platforms depends upon the Investment Solution chosen for a client's account and is \$10,000-\$50,000 for Mutual Fund and Variable Annuity accounts and \$100,000 for ETF Accounts, \$250,000 for Distribution Strategies and from \$500,000 to \$1,000,000 for Privately Managed and Unified Managed Accounts, depending on the investment strategy selected for the account, as described in more detail in Appendix 1 of this brochure. Accounts below the stated minimums may be accepted on an individual basis at the discretion of the Platform sponsor.

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

- A. Investing in securities involves risk of loss that Clients should be prepared to bear. In advising retail clients, CFS uses model portfolios of mutual funds, exchange traded funds (ETF's) and variable annuity sub-accounts provided by a number of institutional investment strategists based on the information, research, asset allocation methodology and investment strategies of these institutional strategists, and made available to CFS's Clients by the Platform Provider. To formulate specific advice and recommendations, CFS engages clients in a robust Discovery and Needs Analysis process designed to determine their personal risk tolerance, time horizon, and specific financial goals. CFS utilizes fact finders, questionnaires, and direct client questioning to gather information. This information is analyzed through a variety of tools and with the help of our investment and research partners. The resulting analysis, combined with information gathered from Clients, directly informs our recommendations.
- B. CFS introduces Clients to, and advises on the selection of, independent investment managers who provide discretionary management of individual portfolios using a variety of different securities analysis methods, sources of information and investment strategies. Clients will receive separate disclosure from such investment managers regarding their advisory services.

The investment strategies and methods of analysis are entirely dependent on the information provided by the Client. The Client agrees to provide, on a timely basis, information regarding income and expenses, Investments, income tax situations, estate plans, and other pertinent matters as requested by Advisor from time to time. Client also agrees to discuss needs and goals and projected future needs candidly with Advisor and to keep Advisor informed, in writing, of changes in Client's situation, needs, and goals. Client acknowledges that Advisor cannot adequately perform its services on the Client's behalf unless Client performs such responsibilities on his/her part and that Advisor's analysis and recommendations are based on the information provided by Client. Client agrees to permit Advisor to consult with and obtain information about Client from Client's accountant, attorney, and other advisors. Advisor shall not be required to verify

any information obtained from Client, Client's attorney, accountant or other advisors and is expressly authorized to rely on the information received. Client is free at all times to accept or reject any recommendation from Advisor and Client acknowledges that (s)he has the sole authority with regard to the implementation, acceptance, or rejection of any counseling or advice from Advisor.

- C. CFS does not primarily recommend one type of security over another, and our recommendations do not reflect preference of any security over another. Rather, recommendations are based on the specific needs and goals of the Client. All securities present some level of risk, including the loss of principal.

### **Item 9 – Disciplinary Information**

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CFS or the integrity of Victoria Wood's or Damon King's management. The following detail any actions pertinent to this section:

- A. No criminal or civil actions in a domestic, foreign, or military court.
- B. No administrative proceedings before the SEC, or other federal regulatory agency, state agency, or foreign financial regulatory authority.
- C. No administrative proceedings before a self-regulatory organization.

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

- A. No current registrations and no pending applications to register as a broker/dealer or registered representative of a broker/dealer
- B. No current registrations and no pending applications to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of the foregoing entities.
- C. Advisory Representatives of CFS may be licensed as insurance agents with various insurance companies, and, in such capacity, may recommend, on a fully disclosed basis, the purchase of insurance related products. Current companies in which CFS Advisory Representatives have appointments include Midland National, North American, Security Benefit, and Athene. A possible conflict of interest exists in the form of a recommendation for a particular insurance product. This conflict is resolved through state-mandated suitability measures designed to insure the Client has sufficient other assets held outside any insurance contract.
- D. Except as disclosed in Item 2, no current recommendations for, selection of, or business relationships with other investment advisors for Clients served by CFS that would create a material conflict of interest.

## **Item 11 – Code of Ethics and Personal Trading; Participation in Client Transactions**

### CODE OF ETHICS

The Advisor or its Advisory Representatives may buy or sell securities identical to those recommended to Clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security (ies) which may also be recommended to the Clients. It is the expressed policy of the Advisor that its Advisory Representatives may not purchase or sell any individual stock or bond prior to a transaction(s) being implemented for an advisory account, thereby preventing such Advisory Representatives from benefiting from transactions placed on behalf of advisory accounts. As these situations represent a conflict of interest, the Advisor has established the following restrictions in order to fulfill its fiduciary responsibilities.

- 1) A director, officer or Advisory Representative shall not buy or sell securities for his/her personal portfolio(s) where his/her decision is substantially derived, in whole or in part, by reason of his or her affiliation with the Advisor, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory Clients.
- 2) All Clients are fully informed that certain individuals may receive separate compensation, such as insurance commissions, when effecting transactions during the implementation process.
- 3) The Advisor emphasizes the unrestricted right of the Clients to decline to implement any advice rendered, except in situations where a third-party investment advisor is granted discretionary authority in the Client's account.
- 4) The Advisor requires that all Advisory Representatives must act in accordance with all applicable Federal and State regulations governing registered investment advisors and their investment advisor representatives.
- 5) Any individual not in observance of the above may be subject to termination.
- 6) A copy of the Advisor's code of ethics will be delivered to any Client or prospective Client upon request.

### Footnotes

(1) This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of the Advisor's Clients trade in sufficiently broad markets to permit transactions by Clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with the Advisor's records in the manner set forth above.

(2) Open-end mutual funds and/or the investment sub-accounts which may comprise a variable

insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which Clients invest, and are therefore not prohibited by the Advisor's investment policies and procedures. In accordance with Section 20A of the Investment Advisors Act of 1940, the Advisor also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Advisor or any person associated with the Advisor.

## PRIVACY POLICIES

Protecting Client privacy is very important to CFS. The Advisor views protecting its Clients' private information as a top priority and, pursuant to the requirements of the federal Gramm-Leach-Bliley Act, the Advisor has instituted policies and procedures to ensure that customer information is kept private and secure.

CFS does not disclose any nonpublic personal information about its Clients or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a Client's account, CFS may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

CFS restricts internal access to nonpublic personal information about the Client to those associated persons of the Advisor who needs access to that information in order to provide services to the Client. As emphasized above, it has always been and will always be the Advisor's policy never to sell information about current or former customers or their accounts to anyone. It is also the Advisor's policy not to share information unless required to process a transaction, at the request of a Client, or as required by law.

CFS has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition against rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at CFS must acknowledge the terms of the Code of Ethics annually, or as amended.

CFS anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it may recommend to Clients or prospective Clients, the purchase or sale of securities in which CFS, its affiliates and/or Clients, directly or indirectly, have a position of interest. CFS's employees and persons associated with CFS are required to follow CFS's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of CFS and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for CFS's Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of CFS will not interfere with (i) making decisions in the best interest of CFS's Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes

of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of CFS's Clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as CFS's clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between CFS and its Clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with CFS's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. CFS will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order.

Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

CFS's Clients or prospective clients may request a copy of the firm's Code of Ethics by contacting CFS.

It is CFS's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. CFS will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

### **INVESTMENT OR BROKERAGE DISCRETION**

CFS assists each Client in selecting the risk/return objective and Portfolio Strategists that best suit the Client's objectives. The Client then specifically directs the account to be invested in accordance with the chosen asset allocation. When the Client selects the asset allocation, the Client further directs that the account be automatically adjusted to reflect any adjustment in the asset allocation by the selected Portfolio Strategist. This client authorization results in the purchase and sale of certain mutual funds or ETFs (or transfers between variable annuity sub-accounts) without further authorization by the Client or any other party at such time as the Portfolio Strategist changes the composition of the selected model asset allocation.

The Client receives confirmation of all transactions in the account and is free to terminate

participation in the Platform and retain or dispose of any assets in the account at any time. CFS has no authority to cause any purchase or sale of securities in any client account, or change the selected model asset allocation or to direct the account to be invested in any manner, other than as previously authorized by the Client.

If a Client selects an IMA, UMA or CMA investment solution, the third-party Discretionary Managers are granted the authority to manage the accounts on a discretionary basis, including the authority to buy, sell, select, remove and select securities and other Investments for the account, and to select broker-dealers or others through which transactions will be effected.

## SUGGESTION OF BROKER

Neither CFS, its associated persons, nor unaffiliated investment advisory firm with which CFS may have agreements, directly suggest brokers to Clients, unless done in conjunction with investment management programs. The Client is always free to utilize his/her broker of choice in implementing the advice or financial plan.

### **Item 13 – Review of Accounts**

- A. Victoria Woods, President of CFS, and Damon King, CFP®, Investment Advisor, monitor Client accounts on a regular basis to ensure the advisory services provided to the Client are consistent with the Client's investment needs and objectives. CFS will offer Clients a formal account review on an annual, semiannual or quarterly basis or more often upon request from the Client.
- B. Triggering factors that may stimulate a review include, but are not limited to, significant market corrections, large deposits or withdrawals from an account and the Client's request for an additional review. Clients will receive statements directly from the account custodian at least quarterly.
- C. Clients receive quarterly statements for investment accounts, and annual statements for fixed and indexed annuity accounts. Additionally, Clients receive a Quarterly Performance Report (QPR) that is prepared by the Platform Provider and also provided to the Advisor. These QPRs are reviewed with each Client during the appropriate quarterly strategy review, and placed in the Client's personal financial organizer.

Additionally, CFS issues periodic written reports to its advisory clients. These written reports generally contain a list of assets, investment results, and statistical data related to the Client's account, and are made available via mail or electronic delivery. The information in these reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. We urge Clients to carefully review these reports and compare the statements that they receive from their custodian to the reports that we provide.

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

- A. With respect to the AssetMark Platform, when we qualify, CFS, subject to negotiation with AssetMark, receives certain allowances, reimbursements or services from AssetMark in connection with CFS’s advisory services to its Clients, as described below and in Appendix 1 of this Brochure.

Under AssetMark’s Gold/Platinum Premier Consultant Program, CFS is entitled to receive a quarterly business development allowance for reimbursement for qualified marketing/practice management expenses incurred by CFS. These amounts range from \$5,000 to \$12,500 annually, depending on the amount of the Advisor’s Managed Assets maintained on the Platform.

AssetMark may also bear the cost of airfare for firms such as CFS to attend AssetMark’s annual conference or to conduct due diligence visits to AssetMark’s offices. In addition, AssetMark may, from time to time, contribute to the costs incurred by participating firms such as CFS in connection with conferences or other client events conducted by such firms and their representatives.

AssetMark may also provide opportunities for participating firms such as CFS to receive fee reductions and/or allowances in amounts ranging from .02% to .07% of the amount of client assets invested through the Platform. These arrangements are entered into between AssetMark and a firm such as CFS on an individually negotiated basis. CFS may agree to provide AssetMark with introductions to and information concerning its Advisory Representatives, provide the Advisory Representatives with information concerning the AssetMark Platform and products, and permit AssetMark to participate in CFS meetings and workshops. In addition to the fee reductions and/or allowances granted the firm by AssetMark, AssetMark may agree to provide the firm or its representatives with organizational consulting, education, training and marketing support.

From time to time, in certain circumstances, CFS will accept sponsorship from a strategist for a client event, for the benefit of our guests.

- B. Except as disclosed in Item 2, CFS does not directly or indirectly compensate another person who is not currently supervised.

## **Item 15 – Custody**

CFS does not provide custodial services to its Clients. Client assets are held with banks, financial institutions or registered broker-dealers that are “qualified custodians.” Clients will receive statements directly from the qualified custodians at least quarterly. We urge Clients to carefully review those statements and compare the custodial records to the reports that we provide them. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

CFS does not take any independent discretionary authority over client accounts. CFS does, however, offer Clients access to the AssetMark Platform, an asset allocation Platform more fully described in the Appendix 1 - Platform Disclosure Packet attached hereto, which includes the AssetMark Platform Disclosure Brochure. Asset allocations composed by a group of independent investment strategists (“Portfolio Strategists”) are offered under the Platform, with the different model allocations designed to satisfy a gradient of risk/return objectives. The Portfolio Strategists have no direct relationship with CFS or its Clients, make no analysis of and do not consider the Clients’ individual circumstances or objectives, and do not tailor the model asset allocation to any specific Client’s needs, circumstances or objectives, but only to the stated risk/return objectives.

## **Item 17 – Voting Client Securities**

The Client retains the right to vote proxies if the Client’s Account is invested in a Mutual Fund, ETF or Variable Annuity Investment Solution. If the Account is invested in an IMA, CMA, or UMA Investment Solution, the Client designates the applicable Discretionary Manager as their agent to vote proxies on securities in the Account. Client acknowledges that as a result of this voting designation they are also designating the Discretionary Manager as their agent to receive proxies, proxy solicitation materials, annual reports provided in connection with proxy solicitations and other materials provided in connection with the above actions relating to the assets in the Client’s Account. However, the Client retains the right to vote proxies and may do so by notifying CFS in writing of the desire to vote future proxies.

## **MISCELLANEOUS**

### *Proxy Voting*

The Advisor will not vote proxies on behalf of advisory clients’ accounts. On rare occasions and only at the Client’s request, the Advisor may offer Clients advice regarding corporate actions and the exercise of proxy voting rights.

## **Item 18 – Financial Information**

- A. CFS does not maintain discretionary authority or custody of client funds or securities.
- B. Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about their financial condition. CFS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its Clients, nor has CFS been the subject of a bankruptcy proceeding.

## **Item 19 – Requirements for State-Registered Advisors**

### **EDUCATION AND BUSINESS STANDARDS**

Advisory Representatives of the Advisor who are involved in determining or giving investment advice to Clients must meet all examination or experience requirements of the state(s) and/or jurisdiction(s) in which the individual provides advisory services on behalf of the Advisor.

### **EDUCATIONAL AND BUSINESS BACKGROUND**

#### **Victoria Lynn Woods**

Formal Post High School Education- Tarrant County College

Business owner, Public Speaker, Entrepreneur, Author

ChappelWood Financial Services Corp.—Oklahoma-registered Investment Advisor, 2005-current

ChappelWood Investment Corp.--Real Estate Development 1990-current (separated CFS and CWI in 2003)

Victoria's Sleeve Bracelets

Founder of the 84 Acre Financial District of Oklahoma, located in Edmond, OK

AIG Financial Advisors, Inc. (formerly SunAmerica, Inc.), Registered Representative 2003-2006

#### **Damon Matthew King**

Formal Post High School Education – University of Central Oklahoma; The American College

Charitable Gift Planning Advisor 2002-2014

Professional Fundraising Consultant 2014

Insurance Professional 2014-current

Investment Advisor 2015-current

CERTIFIED FINANCIAL PLANNER™ - 2017 to present

Victoria Lynn Woods, sole owner and President of CFS, currently devotes 98% of her time to CFS. Ms. Woods is also the President of ChappelWood Investment Corp., a real estate holding company. Ms. Woods devotes less than 2% of her professional time to her duties at ChappelWood Investment Corp.

Damon King, CFP® and Investment Advisor, devotes 100% of his time to CFS.