



# MORRIS & WELLS

WEALTH MANAGEMENT

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## Client Relationship Summary – October, 2024

Morris & Wells is an SEC registered, independent investment advisory firm that provides asset management services, financial planning and investment counsel to meet the unique needs of individuals and families, as well as to corporations, foundations, endowments, and other select institutions. Since 1975, we have built our business with an unyielding commitment and dedication to our clients' goals. We focus not only on developing portfolio strategies to meet client-specific goals, but also on building meaningful, long-lasting relationships and meeting our clients' family office needs.

It is important for the retail investor to understand the difference between brokerage firms and investment advisory firms and the differences in the fees and services provided by each. There are free and simple tools available to investors to research our firm and financial professionals at [INVESTOR.GOV/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and general investing.

### What investment services and advice can you provide me?

- Morris & Wells selects individual stocks and bonds to include in client portfolios on a discretionary basis. On occasion the firm could also recommend that a given client hold some form of stock or bond exchange-traded fund (ETF) and/or mutual fund. We tailor our recommendations to the needs of clients in terms of deciding on broad asset allocation between stocks and bonds. Clients maintain the option to impose restrictions on investing in certain types of securities – e.g. tobacco stocks, oil stocks etc.
- In addition to investment advisory services, Morris & Wells partners with local investment professionals to offer complete family office services such as trust/estates legal advice and accounting services. We do not, however, have revenue sharing agreements with outside professionals.
- Morris & Wells offers advice to companies seeking to implement retirement benefits for their employees either in the form of a 401-K plan, a pooled investment plan or a Simple IRA plan. We currently partner with Everington Consulting, LLC as a third party administrator for newly formed 401-K plans.
- Morris & Wells offers financial planning and cash flow management for those clients who need a more full-service firm.

- **Conversation starters**
  - Given my financial situation, should I choose an investment advisory service? Why or why not?
  - How will you choose investments to recommend to me?
  - Who would be my primary contact person and is that person a registered representative of the firm?
  - What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

### What fees will I pay?

- Morris & Wells charges each client a quarterly fee of 0.25% of the amount of their assets being managed that does not exceed \$5,000,000 and 0.125% of the amount of their assets being managed in excess of \$5,000,000. Example, if a client account has a value of \$1,000,000 at the end of a given quarter, the fee for the quarter would be \$2500. If a client account has a value of \$6,000,000 at the end of a given quarter, the fee for the quarter would be \$7250 (\$5,000 for the first \$5,000,000 and \$1,250 for the additional \$1,000,000 above the threshold).

Because our clients are charged on a percentage basis, the fee will fluctuate based on the balance of the assets being managed. You will pay fees and costs whether you make or lose money on your investments. That being said, when your assets grow (or decline), the dollar amount of your fee will also grow (or decline). Our clients either have fees deducted from their assets or receive a bill from the firm. Our clients pay quarterly fees in advance. If the client terminates his/her relationship prior to the end of the quarter, the client will receive a fee refund, prorated for the number of days remaining in the quarter.

As of this writing, trading costs for retail investors have decreased significantly. The typical client of Morris & Wells uses Charles Schwab as their custodian/broker. Schwab no longer charges commissions on stock trades. If Morris & Wells purchases an ETF or mutual fund on behalf of a client, the client will incur the fees charged by the given investment instrument.

Neither Morris & Wells nor any supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

- **Conversation starters**
  - Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

- We take our fiduciary responsibility to our clients very seriously. We will always act in your best interest and not put our interest ahead of yours. Our fee structure allows us to align our interests with yours and as your assets grow or contract, our income increase/decreases. At the same time, the way we make money could create some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here is an example to help you understand what this means.
  - Unlike broker-dealers, Morris & Wells, LLC does not provide packaged products or participate in wrap fee programs, which can create conflicts of interest. Packaged products, such as annuities and insurance products, typically come with some type of “buy-in” as well as fees during the holding period. As a firm, we charge one management fee, there are NO additional fees charged by us for services provided.
- Conversation starters
  - How might your conflicts of interest affect me, and how will you address them?

How do your professionals make money?

- Our firm structure is an LLC, making each of our professionals an owner/member of the LLC. Our professionals receive net compensation as an owner/member based on the amount of fees collected throughout the year from client assets under management. Our professionals are NOT compensated through referrals, client incentives or sales of products.

Do you or your financial professionals have legal or disciplinary history?

- Morris & Wells nor any of its individual professionals have been involved in any legal or disciplinary events that are material to a client or prospective client’s evaluation of the firm or the integrity of firm management.
- Conversation starter:
  - As a financial professional, do you have any disciplinary history? For what type of conduct?
  - Who should I speak with if I have an unresolved issue with one of your representatives?
- Visit [INVESTOR.GOV/CRS](https://www.investor.gov/crs) for a free and simple search tool to research Morris & Wells, LLC and our professionals.

Additional information:

Please visit our website [www.morrisandwells.com](http://www.morrisandwells.com) for more detailed information regarding our investment professionals and our firm. If you know someone who could benefit from our service, please have them contact us directly at (434) 977-7010 or one of our professionals; [jderrell@morrisandwells.com](mailto:jderrell@morrisandwells.com); [emorris@morrisandwells.com](mailto:emorris@morrisandwells.com); [jwells@morrisandwells.com](mailto:jwells@morrisandwells.com) or [cking@morrisandwells.com](mailto:cking@morrisandwells.com).

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