

**FORM ADV Uniform Application for Investment Adviser Registration  
Part 2A: Investment Adviser Brochure  
Item 1: Cover Page**

**Carolina Financial Advisors, Inc.**

**CRD # 118823**

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**Issue date:  
April 3, 2025**

*This brochure provides information about the qualifications and business practices of Carolina Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.*

*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. Please note, where this brochure may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training.*

*Additional information about the firm and its representatives is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Carolina Financial Advisors, Inc. on 03/05/2025, are described below. Material changes relate to Carolina Financial Advisors, Inc.'s policies, practices or conflicts of interest.

- Carolina Financial Advisors, Inc. has updated its Biblically Responsible Portfolios to Values Based Investing. (Items 4 and 5)

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## **Item 4: Advisory Business**

Established in 2000 by President, Christopher Wick Jones, Carolina Financial Advisors, Inc., (the “Firm” “CFA” or us, we, our) is a North Carolina corporation and is a registered investment adviser in the State of North Carolina. CFA provides portfolio management services (or investment management services) on a discretionary basis. We also provide financial planning services to Clients (you, your).

The portfolio management services include the following:

- Establishing investor goals;
- Developing an investment policy;
- Defining investment goals and the strategies required to attain them; and
- Making recommendations on asset allocation, selection of investments and portfolio management;

CFA’s investment advisory services include an assessment of the Client’s specific investment goals, objectives, risk tolerances as distinguished from those of other Clients, including all relevant financial data (including, employment, income, tax bracket, family obligations, etc.).

### ***Financial Planning Services***

CFA provides financial plans that are based on the individual client’s financial, risk/reward objectives and tax status. The financial plans may be comprehensive or segmented. Typical planning engagements include:

- Planning for financial independence;
- Planning for major purchases;
- Education funding;
- Income and estate tax planning; and
- Family wealth preservation and transfer

CFA’s financial planning services typically involve the review of a client’s overall financial situation, personal and financial goals, risk tolerance and objectives.

### ***Investment Policy***

The investment policy of CFA is preservation of principal. CFA’s priorities for account management include:

- Emphasize quality securities
- Diversify investments in keeping with the particular client’s investment plan
- Limit each security position as a percentage of the total portfolio

- Consider selling a portion of a position when it becomes too large a percentage of the portfolio
- Establish and maintain research coverage on securities and monitor price behavior
- Follow buy and sell points established by research
- Achieve the lowest average cost by building each position gradually according to fundamentals and market conditions
- Minimize transactions and commission costs through discounts or institutional rates
- Avoid speculation, aggressive trading, the new-issue market, options, tax shelters and non-liquid securities.

The principal owner of Carolina Financial Advisors, Inc. is Mr. Christopher Wick Jones.

### ***Values Based Investing***

We offer Values Based Investing portfolios for certain clients. The VBI portfolio consists of values-based investing that aligns investments with values. Values-based investing narrows investing into companies that support traditional Christian values. Given this, the portfolio may forego some market opportunities available to portfolios that do not use VBI criteria. The VBI factors may impact the portfolio's exposure to other industries, sectors, and countries, which may impact its relative performance depending on market and economic conditions, and the portfolio's performance may at times be better or worse than the performance of portfolios that do not use a VBI criteria.

### ***Participant Account Management (Discretionary) - Pontera***

We use a third party platform, Pontera, to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, Adviser will review the current account allocations. When deemed necessary, Adviser will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly and allocation changes will be made as deemed necessary.

### ***Written Acknowledgement of Fiduciary Status***

When CFA provides investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires

us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

As of December, 2024, Carolina Financial Advisors, Inc. managed \$195,271,698.00 in discretionary assets and \$16,349,736.00 non-discretionary assets.

## **Item 5: Fees and Compensation**

### **Fees for Investment Management Services including Values-Based Portfolios:**

Compensation is based on total assets under management.

<b>Assets Under Management</b>	<b>Annual Management Fee:</b>
\$0 to \$1,000,000	1.00-2.5%
\$1,000,001 to \$2,000,000	0.85-2.5%
\$2,000,001 to \$5,000,000	0.65-2.5%
\$5,000,001 to \$10,000,000	0.50%-2%
Above \$10,000,000	To be negotiated.

Clients are charged at the end of the quarter. Fees are billed in arrears after the close of the quarter.

Clients who have accounts managed through Pontera will follow the firms Fee and Compensation schedule. A \$25 Credit Card processing fee may be charged as well on a quarterly basis.

Investments in mutual funds may incur management fees in addition to those charged by CFA (see below).

### **Fees for Individual Financial Planning Services:**

Clients may choose either an hourly fee or a fixed fee. Hourly fee clients are billed the actual number of hours spent by CFA at an agreed upon rate. All fees are billed in arrears.

### **General Information on Advisory and Financial Planning Services / Fees**

1. All client accounts may be invested in mutual funds, exchange traded funds (or similar securities). These securities carry additional fees and expenses (including advisory fees) that are in addition to CFA's fees for our services. As a result, you should evaluate the total of the fees to ensure the services received are reasonable from a total cost perspective.
2. CFA's fees are negotiable whether for advisory or financial planning services.
3. Accounts for employees and their family members (or friends of CFA) may be managed for reduced fees or no fee. Exceptions to our standard fees (charged to Clients who are not employees, their family members or friends of the firm may result in a conflict of interest and possibly variation in the degree to which the accounts are managed. However, our services are consistently provided to all clients, including those described here.

At no time will CFA direct funds to itself or its employees, with the exception of the deduction of management fees. These management fees may be deducted from the client's account(s) only when the following occur:

1. The Client authorizes the account custodian in writing to accept directions of CFA to deduct the fee (as stated in the advisory agreement);
2. The Client is sent an informational invoice and the custodian is advised of the amount to be deducted simultaneously. The invoice to the client shows the base amount on which the fee is calculated, the fee percentage and the actual amount to be deducted;
3. The quarterly or monthly statements from the custodians must show the deduction of the management fee in the listing of transactions occurring in the account during the period.

David L. Belk and William ("Bill") Poland, in their outside business activities (see Item 10 below) are licensed to accept compensation for the sale of insurance products to CFA clients. This may present a conflict of interest and could give the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of insurance products for which the supervised persons receives compensation, CFA will document the conflict of interest in the client file and inform the client of the conflict of interest.

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

## **Item 6: Performance-based fees and Side-by-Side Management**

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

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

CFA provides investment advisory services to:

- individuals;
- trusts;
- estates;
- corporations;
- pensions and/or profit-sharing plans; and
- non-profit organizations

CFA provides financial planning services to individuals.

CFA does not require a minimum to establish an investment advisory account. CFA will recommend to Clients that they start their managed accounts with a minimum of at least \$250,000.

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

CFA's methods of analysis and investment strategies include:

- fundamental,
- technical and cyclical.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. CFA will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that CFA will be able to accurately predict such a reoccurrence.

The types of investments recommended are:

- equity securities (including exchange-listed securities, securities traded over-the-counter and foreign issuers through ADRs (American depository receipts traded on US exchanges),
- corporate debt securities (other than commercial paper),
- certificates of deposit,
- municipal securities,
- investment company securities (including variable annuities and mutual fund shares),
- U.S. Government securities and participation or interests in client transactions,
- options contracts on securities,
- interests in partnerships investing in real estate
- Leveraged and Inverse Mutual Funds and ETFs

The main sources of research information used by CFA include:

- financial newspapers and magazines,
- inspections of corporate activities,
- research materials prepared by others,
- corporate rating services,
- timing services,
- annual reports,
- prospectuses,
- filings with the SEC and company press releases.

CFA uses the following strategies in its investment advisory business: long-term purchases (securities held longer than one year), short-term purchases (securities sold within a year), trading (securities sold within 30 days), short sales and option writing (including covered options, uncovered options or spreading strategies).

### **Risk of Loss:**

All investments are subject to the following principal risks:

The value of securities in the portfolio will go up and down. Consequently, the overall valuation of the account may decline and you could lose money. The stock market is subject to significant fluctuations in value as a result of political, economic, and market developments. If the stock market declines in value, the portfolio is likely to decline in value. Because of changes in the financial condition or prospects of specific companies, the individual stocks selected by CFA may decline in value, causing the account to decline in value.

### **Risks of Specific Securities Utilized:**

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

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

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Because ETFs use "authorized participants" (APs) as agents to facilitate creations or redemptions (primary market), there is a risk that an AP decides to no longer participate for a particular ETF; however, that risk is mitigated by the fact that other APs can step in to fill the vacancy of the withdrawing AP [an ETF typically has multiple APs] and ETF transactions predominantly take place in the secondary market without need for an AP. Like other liquid securities, ETF pricing changes throughout the trading day and there can be no guarantee that an ETF is purchased at the optimal time in terms of market movements. Moreover, due to market fluctuations, ETF brokerage costs, differing demand and characteristics of underlying securities, and other factors, the price of an ETF can be lower than the aggregate market price of its cash and component individual securities (net asset value – NAV). An ETF is subject to the same market risks as those of its underlying individual securities, and also has internal expenses that can lower investment returns.

**Real Estate funds (including REITs)** face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are retirement products for those who may have the ability to pay a premium now and want to guarantee they receive certain payments or a return on investment in the future. Annuities are contracts issued by a life insurance company designed to meet

requirement or other long term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Inverse Funds** are designed to produce the inverse returns on a daily basis of whatever index they are tracking. For example if the S&P 500 were to fall 10% in a given day, an S&P 500 inverse ETF or Mutual Fund would be up 10% that same day. Because inverse ETFs “reset” daily, their performance over longer periods of time -- over weeks or months or years -- can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. This effect can be magnified in volatile markets.

**Leveraged Funds:** An ETF or Mutual Fund is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs and Mutual Funds carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Leverage provides additional risk, as any losses sustained will constitute a greater percentage of principal than if leverage had not been employed. Additionally, if losses occur, the value of the account may fall below the lender’s threshold thereby forcing the account holder to devote more assets to the account or sell assets on a shorter time frame than desired. Areas of concern for ETFs and Mutual Funds include the lack of transparency in products and increasing complexity, conflicts of interest, and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

## **Item 9: Disciplinary Information**

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide clients with disclosures as to any legal or disciplinary activities deemed material to the client’s evaluation of the adviser.

Please note, neither the Firm nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

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

William Scott Poland is a licensed insurance agent. From time to time, he will offer clients advice or products from this activity through his wholly owned corporation, Kingdom Vision Financial, Inc. Clients should be aware that these services frequently pay a

commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Carolina Financial Advisors, Inc. always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Carolina Financial Advisors, Inc. or Kingdom Vision Financial, Inc. in their capacity as a licensed insurance agent.

William Scott Poland is the sole owner of Kingdom Vision Financial, Inc. dba Dries Poland Insurance.

David Leonard Belk is a licensed insurance agent. From time to time, he will offer clients advice or products from this activity through his wholly owned corporation, Belk & Associates, Inc. Clients should be aware that these services frequently pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Carolina Financial Advisors, Inc. always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Carolina Financial Advisors, Inc. or Belk & Associates, Inc. in their capacity as a licensed insurance agent.

David Leonard Belk is the sole owner of Belk & Associates DBA Belk Financial Group.

The Firm employs the services of Sheets Smith Wealth Management (“SSWM”), an SEC registered investment adviser, to act as a sub-adviser for certain client accounts. Compensation for these sub-advisory services is made directly by the Firm at no cost to the Client. The utilization of this service is discussed in advance with the Client as to the appropriateness of the “buy and hold approach” utilized by SSWM.

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

### **Code of Ethics:**

As required by Rule 204A-1 of the Investment Advisers Act of 1940, CFA has adopted a Code of Ethics. The Firm has determined to set forth guidelines for professional standards, under which all employees of the Firm are to conduct themselves. The Firm has set high standards, the intention of which is to protect client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with clients.

A copy of the Firm’s Code of Ethics will be provided to any client upon request by contacting the President, Mr. Christopher Jones at (336) 379-0300.

### **Participation of Interest in Client Transactions:**

We follow our own advice. Therefore, our employees and principals of CFA from time to time may have an interest in securities which are recommended to or owned by CFA clients. Employees may buy or sell securities identical to those recommended to customers for their personal accounts. Even though CFA employees are investors who could not

noticeably affect the market, the fact that we own, purchase or sell the same securities (at the same time or different times) as we recommend or purchase or sell securities for Clients poses a conflict of interest.

## **Item 12: Brokerage Practices**

As described under Item 4, above, we may have investment discretion to select the securities and amount of securities for your accounts that we manage (see Item 16, below).

Our recommendations and decisions that we implement are based on our determination of suitability of the recommendation for your specific investment objectives and needs. When we have investment discretion, we select the security, the amount of security and timing of the transaction. We then place the transaction without obtaining your specific consent on a transaction-by-transaction basis.

**Discretionary Brokerage:** Included in discretionary authority is the authority to select the broker or dealer to be used in the purchase and sale of securities, in which case the commission rates paid are based on institutional discounts or discount brokerage fee schedules.

**Directed Brokerage:** Some clients may have a pre-established relationship with a broker and will instruct CFA to execute all transactions through that broker. In this case, it is understood that CFA may not have authority to negotiate commissions or obtain volume discounts and best execution may not be achieved. When the client chooses the broker, there may be a disparity between the commissions a client pays and those paid by other clients who do not direct us to use a broker or those clients who direct us to use different brokers.

CFA recommends and may utilize Charles Schwab & Co., Inc. Advisor Services, Fidelity Investments, Inc., National Financial Services, LLC (“Fidelity”), Vanguard Institutional Service, or other providers that would enhance serving client accounts.

These custodians are independent and third-party qualified custodians, utilized to maintain custody of clients’ assets and to effect trades for their accounts.

CFA is independently owned and operated and is not affiliated with any custodian or broker dealer. These custodians provide CFA competitive discount rates, electronic interfaces for order entry, market executions at inside prices and electronic access to account data, block trading fees, fee disbursement service, duplicative statements, confirmations and direct access to the Fidelity Fund Family as well as Fidelity’s Institutional Wealth Management Program.

Custodial services include brokerage, custody, research and access to mutual funds and other investments that are generally available only to institutional investors or would require a significantly higher minimum initial investment.

Soft Dollars: In selecting brokers to affect securities transaction for a client, consideration is given to the quality of the selected broker's execution of similar transactions, the commission rates charged and in some cases, the quantity and quality of research and/or other investment advisory support provided by the broker.

CFA may recommend or use a broker who provides useful research and securities transaction services even though a broker who offers no research services and minimal securities transaction assistance may charge lower commissions. Directing transactions in such a manner and receiving research and execution services is called "soft dollars." The research and other investment advisory support services include:

- macro- and micro-economic reports,
- industry-wide reports,
- reports on specific investment selection of investment vehicles, personal consultation, and in some cases, software and electronic linkages which facilitate execution and record keeping.

In addition, Fidelity may make available, arrange and/or pay for these types of services rendered to CFA by independent third parties. Fidelity may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to CFA.

As a fiduciary, CFA endeavors to act in its clients' best interests, CFA recommends that clients maintain their assets in accounts at Fidelity may be based in part on the benefit to CFA of some of the services and products provided by Fidelity and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity, which may create a potential conflict of interest.

Clients may at times pay commissions to brokers not directly responsible for the particular research or services which led to or facilitated the transaction generating the commission. Conversely, they may benefit from research or service paid for by commissions paid by others. CFA balances its use of brokers to ensure that commissions do not exceed the value of any research and service provided and also to ensure that clients receive fair benefit from research and investment services provided to CFA in exchange for the commissions they pay.

Block / Aggregated Transactions: At times, CFA is able to achieve volume discounts by aggregating orders on behalf of two or more clients. In such cases, transactions for each account are generally averaged as to price and allocated as to amount in accordance with the daily purchase or sale orders placed for each account. Such combined or "batched" trades may be used to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution or reducing overall commission charges.

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

### **Portfolio Management Accounts:**

On a quarterly basis, asset management client accounts are reviewed by the advisor assigned to the client and an investment statements are provided to Clients. More frequent reviews may be triggered by major market changes.

Securities that are held in a number of Client accounts are monitored on at least a monthly basis and frequently on a daily or weekly basis. CFA's emphasis is on a continuing monitoring of specific investments in Client accounts.

CFA requires that Clients use custodians that issue at least quarterly reports.

Individual portfolio managers update investment policies as needed and independently review the client portfolios they manage. Account managers review, among other issues: portfolio performance, withdrawals and additions, and portfolio segmentations and allocation.

Reports on advisory accounts are normally provided monthly by the institution having custody of the account. Such reports include, among other items:

- A list of individual securities
- Market value of individual securities
- Dividends and interest to date
- Market value of the portfolio

### **Other Clients:**

CFA provides some investment advice on some Client employer retirement accounts and on variable annuities. CFA provides quarterly investment statements to Clients. The plan trustee of the employer retirement account determines the frequency of reporting and for annuity accounts held with insurance companies the policy determines the manner of reporting.

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

### ***Institutional Custodian Services***

Institutional brokerage custodians, SUCH AS Fidelity, Charles Schwab, and Vanguard MAY make available to CFA other products and services that benefit CFA but may not directly benefit its clients' accounts. Some of these other products and services assist CFA in managing and administering clients' accounts. These include:

- Software and other technology that provide access to client account data (such as trade confirmations and account statements)
- Advice, Research, and market analyses and reports

- Access to mutual funds and other investments that are otherwise generally available only to institutional investors
- Pricing information and other market data
- Facilitate payment of CFA's fees from client accounts
- Educational events
- Occasional business entertainment of CFA personnel
- Assistance with back-office functions, record keeping and client reporting

Many of these services generally may be used to service all or a substantial number of CFA accounts including accounts not maintained at a particular custodian. Custodians also make available to CFA other services intended to help CFA manage and further develop its business enterprise. These services may include:

- Consulting
- Publications and conferences on practice management
- Information technology
- Business succession
- Regulatory, compliance and marketing

CFA may, via written arrangement, retain third parties to act as solicitors for CFA's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. CFA will ensure each solicitor is properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

CFA currently has a solicitor relationship with Dave Ramsey's SmartVestor Pro Program.

Kingdom advisors - provides a principled class of Christian financial advisors who have been trained in values based financial advice. All advisors have to be certified CKA to be a part of this organization

## **Item 15: Custody**

CFA does not maintain or accept custody of client funds or securities.

## **Item 16: Investment Discretion**

CFA practices custom management of portfolios, on a discretionary basis, according to the client's objectives.

CFA has discretionary authority to determine:

- (1) the securities to be bought or sold for a client's account; and
- (2) amount of securities to be bought or sold for a client's account;

In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

The client should report any change in their personal information, financial situation and/or investment objective to the Firm promptly in writing.

Non-discretion means that we must obtain your specific consent (verbal or in writing) on a transaction-by-transaction basis. As a result, clients must be available to CFA during market hours. If we cannot reach you to approve recommended transactions, we cannot place those transactions on your behalf (and you may suffer economic loss due to rapidly moving markets (up or down)).

### **Item 17: Voting Client Securities**

Rule 206(4)-6 of the Investment Advisers Act of 1940 requires SEC registered advisers with proxy voting authority to disclose a summary of their proxy voting policies and offer to deliver to clients their complete proxy policy.

It is CFA's policy to have custodians of client accounts send all proxy voting material directly to the client.

Accordingly, CFA does not review specific proxy voting material as a matter of course, but only upon a request for advice. In instances in which we negotiate an exception to normal policy and agree to vote proxies the proxy voting policy is negotiated with the client and must be made part of a written contract.

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

Registered investment advisers are required to disclose certain financial information or disclosures about Carolina Financial Advisors, Inc.'s financial condition. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

*This brochure supplement provides information about David Leonard Belk that supplements the Carolina Financial Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact David Leonard Belk if you did not receive Carolina Financial Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.*

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

## **Carolina Financial Advisors, Inc.**

### **Form ADV Part 2B – Individual Disclosure Brochure**

*for*

### **David Leonard Belk**

Personal CRD Number: 3048040

Investment Adviser Representative

Carolina Financial Advisors, Inc.

100 East Lake Drive Suite 100

Greensboro, NC 47403

(336) 333-0176

[david@carolinafinancialadvisors.com](mailto:david@carolinafinancialadvisors.com)

UPDATED: 02/27/2024

## Item 2: Educational Background and Business Experience

**Name:** David Leonard Belk      **Born:** 1964

### **Educational Background and Professional Designations:**

#### **Education:**

BS Management, University of NC @ Greensboro - 1987

#### **Designations:**

##### **CFP® - Certified Financial Planner**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- i. Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- ii. Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## **CKA® - Certified Kingdom Advisor**

David Leonard Belk also holds the CKA® designation. The CERTIFIED KINGDOM ADVISOR, CKA® is professional certification granted in the United States by Kingdom Advisors.

The CKA® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CKA® certification. CKA® designated advisors have demonstrated the ability to apply Biblical wisdom in financial counsel, technical competence by earning the CFP® designation or hold 10 years of experience in the discipline, espousing and practicing the Kingdom Advisors Code of Ethics and pledging to practice biblical stewardship in their personal and professional lives.

CKA® professionals must either hold one of the following industry approved designations: CFP®, ChFC®, CPA, CPA/PFS, EA, CFA, CIMA®, AAMS, CLU®, JD or hold 10 years of experience in the discipline in which applying for the Certified Kingdom Advisor® designation, must complete the CKA® Educational Program, maintain active status as a Certified Kingdom Advisor® and maintain ongoing annual compliance requirements. Annual renewal requirements include completion of 10 hours continuing education with Kingdom advisors, Inc., active Kingdom Advisors membership, and completion of an annual renewal.

CKA® professionals who fail to comply with the above standards and requirements risk suspension or permanent revocation of their CKA® certification. More information about Kingdom Advisors can be found at: <https://kingdomadvisors.com>

## **CEPA® - Certified Exit Planning Advisor**

David Belk met the following requirements:

- five years of full-time or equivalent experience working directly with business owners as a financial advisor, attorney, CPA, business broker, investment banker, commercial lender, estate planner, insurance professional, business consultant or in a related capacity;
- an undergraduate degree from a qualifying institution or additional professional work experience (two years of relevant professional experience may be substituted for each year of required undergraduate studies); and
- be an Exit Planning Institute member in good standing.
- Continued use of the CEPA® designation is subject to ongoing renewal requirements. Every three years individuals must renew their right to continue using the CEPA® designation by completing 40 hours of continued education.

## **Business Background:**

07/2020 - Present	Investment Adviser Representative Carolina Financial Advisors, Inc.
09/2018 – 09/2020	Wealth Advisor Old North State Trust
11/2000 - 09/2018	Investment Adviser Representative Financial Security Advisory, Inc.

### **Item 3: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

### **Item 4: Other Business Activities**

David Leonard Belk is a licensed insurance agent. From time to time, he will offer clients advice or products from this activity through his wholly owned corporation, Belk & Associates, Inc. Clients should be aware that these services frequently pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Carolina Financial Advisors, Inc. always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Carolina Financial Advisors, Inc. or Belk & Associates, Inc. in their capacity as a licensed insurance agent.

David Leonard Belk is the sole owner of Belk & Associates DBA Belk Financial Group.

### **Item 5: Additional Compensation**

David Leonard Belk does not receive any economic benefit from any person, company, or organization, other than Carolina Financial Advisors, Inc. in exchange for providing clients advisory services through Carolina Financial Advisors, Inc.

## **Item 6: Supervision**

As a representative of Carolina Financial Advisors, Inc., David Leonard Belk is supervised by Jessica Neisler, the firm's Chief Compliance Officer. Jessica Neisler is responsible for ensuring that David Leonard Belk adheres to all required regulations regarding the activities of an Investment Adviser Representative, as well as all policies and procedures outlined in the firm's Code of Ethics and compliance manual. The phone number for Jessica Neisler is 336-333-0176.

# Form ADV Part 3 – Client Relationship Summary

Date: 03/16/2021

## Item 1: Introduction

CAROLINA FINANCIAL ADVISORS, INC. is an investment adviser offering advisory accounts and services. Brokerage and investment advisory services and fees differ, and it is important that you understand the differences. This document gives you a summary of the types of services and fees we offer. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for free, simple tools to research firms and financial professionals, as well as educational materials about broker-dealers, investment advisers, and investing.

## Item 2: Relationships and Services

*Questions to ask us: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

What investment services and advice can you provide me? Our firm primarily offers the following investment advisory services to retail clients: portfolio management (we review your portfolio, investment strategy, and investments); financial planning (we assess your financial situation and provide advice to meet your goals); solicitor/selection of other advisers (we select a third party adviser for you to use). As part of our standard services, we typically monitor client accounts on a daily basis. Our firm offers both discretionary advisory services (where our firm makes the decision regarding the purchase or sale of investments) as well as non-discretionary services (where the retail investor makes the ultimate decision). We do *not* limit the types of investments that we recommend. Our firm does *not* have a minimum account size. Please also see our Form ADV Part 2A ("[Brochure](#)"), specifically Items 4 & 7.

## Item 3: Fees, Costs, Conflicts, and Standard of Conduct

*Questions to ask us: 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? How might your conflicts of interest affect me, and how will you address them?*

What fees will I pay? Our fees vary depending on the services you receive. Additionally, the amount of assets in your account affects our advisory fee; the more assets you have in your advisory account, the more you will pay us and thus we have an incentive to increase those assets in order to increase our fee. For hourly fee arrangements, each additional hour (or portion therefore) we spend working for you would increase the advisory fee. Our fixed fee arrangements are based on the amount of work we expect to perform for you, so material changes in that amount of work will affect the advisory fee we quote you.

- Portfolio management fees are billed in arrears after the close of the quarter.
- Financial planning clients may choose either an hourly or fixed fee. Hourly fee clients are billed the actual number of hours spent by us at an agreed upon rate. All fees are billed in arrears.

You pay our fees even if you do not have any transactions and the advisory fee paid to us generally does not vary based on the type of investments selected. Please also see Items 4, 5, 6, 7 & 8 of our [Brochure](#).

# Form ADV Part 3 – Client Relationship Summary

Date: 03/16/2021

Some investments (e.g., mutual funds, variable annuities, etc.) impose additional fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. The same goes for any additional fees you pay to a custodian. Additionally, you will pay transaction fees, if applicable, when we buy or sell an investment for your account. **You will pay fees and costs whether you make or lose money on your investments. 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.** Please also see our [Brochure](#) for additional details.

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? *When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates 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 are some examples to help you understand what this means:*

- Asset-based fee arrangements - the more you will pay us and thus we have an incentive to increase those assets in order to increase our fee
- Hourly fee arrangements - each additional hour working for you would increase the advisory fee, so we have an incentive for you to engage us for as much service as possible
- Fixed fee arrangements - the amount of work will affect the advisory fee, so we have an incentive for you to engage us for as much service as possible

How do your financial professionals make money? Primarily, we and our financial professionals receive cash compensation from the advisory services we provide to you because of the advisory fees we receive from you. This compensation may vary based on different factors, such as those listed above in this Item. Please also see Item 10 of our [Brochure](#) for additional details.

## Item 4: Disciplinary History

*Questions to ask us: As a financial professional, do you have any disciplinary history? For what type of conduct?*

Do you or your financial professionals have legal or disciplinary history? No, we do not have legal and disciplinary events. Visit <https://www.investor.gov/> for a free, simple search tool to research us and our financial professionals.

## Item 5: Additional Information

*Questions to ask us: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

For additional information on our advisory services, see our [Brochure](#) available at <https://adviserinfo.sec.gov/firm/summary/118823> and any individual brochure supplement your representative provides. If you have any questions, need additional information, or want another copy of this Client Relationship Summary, then please contact us at 336-379-0300.

At Carolina Financial Advisors, we appreciate your business and the trust you have placed in us. Our privacy philosophy reflects the value of your trust. We are committed to protecting the personal data we obtain about you. To further understand our Privacy Policy, please review the following details.

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## **Carolina Financial Advisors, Inc. Privacy Policy**

(Regulation S-P)

Registered Investment Advisors, like all providers of personal financial services, are now required by law to inform their clients of their policies regarding privacy of client information. Registered Investment Advisors have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by law. Therefore, we have always protected your right to privacy.

### Types of Nonpublic Personal Information We Collect

We collect nonpublic personal information about you that is provided to us by you or obtained by us with your authorization.

### Parties to Whom We Disclose Information

For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice except as required by law.

### Protecting the Confidentiality and Security of Current and Former Clients' Information

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards. All employees and advisors are required to sign a values statement that includes the requirement that all matters will be held in the strictest confidence and no information about a client of any type will be released without the client's consent.

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Please call if you have any questions, because your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.