

# Part 2B of Form ADV: Brochure Supplement

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Townsend Asset Management Corp. is registered with the Securities & Exchange Commission (SEC) as an investment advisor. We are required to file “Form ADV” with the SEC and/or state regulatory authority.

Part 2A of Form ADV is our “Firm Brochure” and is provided to clients each year. It contains information about our firm and its business practices.

Part 2B of Form ADV is our “Brochure Supplement” and contains information about the individuals in our firm who provide investment advice to our clients.

## Item 1: Firm & Advisors

Townsend Asset Management Corp.  
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Raleigh, NC 27612  
(919) 782-9689  
[www.AssetMgr.com](http://www.AssetMgr.com)

Advisor Name: Gerald A. Townsend .....	2
Advisor Name: Leon E. Abbas .....	3
Advisor Name: Caleb R. Griffith .....	4
Advisor Name: Arne W. Morris, Sr.....	5
Advisor Name: James M. Tarkenton .....	6
Professional Designations .....	7

This brochure supplement provides information about our advisors that supplements the Townsend Asset Management Corp. firm brochure. You should have received a copy of that brochure. Please contact Katrina Townsend, Business Manager of the firm, if you did not receive Townsend Asset Management’s brochure or if you have any questions about the contents of this supplement. Additional information about individual advisors is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Advisor Name: Gerald A. Townsend**

### **Item 2: Educational Background and Business Experience**

Mr. Townsend was born in 1952 in Whiteville, North Carolina. He holds a degree in Business Administration from East Carolina University and a graduate degree in Agriculture from N.C. State University. He is a Certified Public Accountant (CPA); a Personal Financial Specialist (PFS); Accredited in Business Valuation (ABV); a CERTIFIED FINANCIAL PLANNER™ practitioner (CFP®), a Certified Financial Analyst® charterholder (CFA®), and a Chartered Market Technician (CMT). He and his wife, Katrina, founded Townsend Asset Management Corp. in 1982. He is President of the firm.

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

There are no material legal or disciplinary events to report.

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

Mr. Townsend is President of Townsend Asset Management Corp. Outside of that role; he is not involved in any other investment-related business or occupation. He does hold a NC license for life, accident, health, long-term care insurance and could earn additional compensation for assisting a client in acquiring those products. We recognize that any compensation received, in addition to fees charged directly to clients, presents a potential conflict of interest in the rendering of financial or investment advice, as it could give an incentive to recommend a product based on the compensation received, rather than on a client's needs. However, if a product does fit a client's needs, the client is made aware if additional compensation will be earned and can make their own decision to either purchase the product or not, or to acquire it from another provider.

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

Please refer to Item 14 of Part 2A of the Firm Brochure

### **Item 6: Supervision**

As President of the firm, Mr. Townsend is responsible for supervising other individuals in the firm. Nevertheless, his own trades in client accounts are reported to and reviewed by Michael Solomon, Chief Compliance Officer or Caleb Griffith, CFP both employees with the firm.

## **Advisor Name: Leon E. Abbas**

### **Item 2: Educational Background and Business Experience**

Mr. Abbas was born in 1939 in Hampton, Iowa. His degrees include a BS in Agricultural Economics from Iowa State University, a MS in Economics from Montana State University and a PhD in Economics from Oregon State University. He is also a CERTIFIED FINANCIAL PLANNER™ practitioner. He was a principal of Abbas Financial Services, Inc. and Financial Balance Corp prior to joining Townsend Asset Management Corp in 2002 as an Investment Advisor Representative.

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

There are no material legal or disciplinary events to report.

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

Mr. Abbas is an Investment Advisor Representative of Townsend Asset Management Corp. Outside of that role; he is not involved in any other investment-related business or occupation. He does hold a NC license for life, accident, health, long-term care insurance and could earn additional compensation for assisting a client in acquiring those products. We recognize that any compensation received, in addition to fees charged directly to clients, presents a potential conflict of interest in the rendering of financial or investment advice, as it could give an incentive to recommend a product based on the compensation received, rather than on a client's needs. However, if a product does fit a client's needs, the client is made aware if additional compensation will be earned and can make their own decision to either purchase the product or not, or to acquire it from another provider.

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

Please refer to Item 14 of Part 2A of the Firm Brochure

### **Item 6: Supervision**

Gerald Townsend, the firm's President and Michael Solomon, the firm's Chief Compliance Officer are responsible for supervising other individuals in the firm and transactions in client accounts are reported to and reviewed by him.

## **Advisor Name: Caleb R. Griffith**

### **Item 2: Educational Background and Business Experience**

Caleb was born in Goldsboro, North Carolina in 1983. He holds a Bachelor of Science with an Accounting degree from North Carolina State University. He is also a CERTIFIED FINANCIAL PLANNER™ practitioner. He joined Townsend Asset Management in 2006.

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

There are no material legal or disciplinary events to report.

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

Mr. Griffith is an Investment Advisor Representative of Townsend Asset Management Corp.

There are no other business activities to report.

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

Please refer to Item 14 of Part 2A of the Firm Brochure

### **Item 6: Supervision**

Gerald Townsend, the firm's President and Michael Solomon, the firm's Chief Compliance Officer are responsible for supervising other individuals in the firm and transactions in client accounts are reported to and reviewed by him.

## **Advisor Name: Arne W. Morris, Sr.**

### **Item 2: Educational Background and Business Experience**

Mr. Morris was born in Cleveland, Ohio. His degrees include a BS in Accounting from Saint Augustine's University, and a MS in Accounting, with an Emphasis in Taxation from UNC Chapel Hill University. He is also a Certified Public Accountant (CPA), a Personal Financial Specialist (PFS). He was a Director with RSM Wealth Management LLC for 15 years prior to joining Townsend Asset Management Corp in 2016 as an Investment Advisor Representative.

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

There are no material legal or disciplinary events to report.

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

Mr. Morris is an Investment Advisor Representative of Townsend Asset Management Corp. Outside of that role; he is not involved in any other investment-related business or occupation. He does hold a NC license for life, accident, health, long-term care insurance and could earn additional compensation for assisting a client in acquiring those products. We recognize that any compensation received, in addition to fees charged directly to clients, presents a potential conflict of interest in the rendering of financial or investment advice, as it could give an incentive to recommend a product based on the compensation received, rather than on a client's needs. However, if a product does fit a client's needs, the client is made aware if additional compensation will be earned and can make their own decision to either purchase the product or not, or to acquire it from another provider.

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

Please refer to Item 14 of Part 2A of the Firm Brochure

### **Item 6: Supervision**

Gerald Townsend, the firm's President and Michael Solomon, the firm's Chief Compliance Officer are responsible for supervising other individuals in the firm and transactions in client accounts are reported to and reviewed by him.

## **Advisor Name: James M. Tarkenton**

### **Item 2: Educational Background and Business Experience**

James graduated with a degree in Finance from Virginia Commonwealth University, where he was also a catcher on their Division I baseball team. He holds a Master of Business Administration degree with honors from the Kenan-Flagler business school at The University of North Carolina at Chapel Hill. Prior to joining Townsend in October of 2018, James was a Managing Director at a \$6 billion asset management firm in California. In evaluating investments' sustainability, risks and financial strength, James facilitates the optimization of client portfolio construction for both returns and risk.

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

There are no material legal or disciplinary events to report.

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

Mr. Tarkenton is an Investment Advisor Representative of Townsend Asset Management Corp.

There are no other business activities to report.

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

Please refer to Item 14 of Part 2A of the Firm Brochure

### **Item 6: Supervision**

Gerald Townsend, the firm's President and Michael Solomon, the firm's Chief Compliance Officer are responsible for supervising other individuals in the firm and transactions in client accounts are reported to and reviewed by him.

## Professional Designations

In this Brochure Supplement, information is provided about the education and background of the employees or investment advisor representatives providing investment advice to our clients. Here is an explanation of the various licenses or professional certifications referenced in the supplement:

A Certified Public Accountant (CPA) is a state license granted to someone who has a degree in accounting, has passed the Uniform CPA examination and has experience in the field of accounting. In addition, forty hours of continuing professional education are required each year.

The Personal Financial Specialist (PFS) credential is awarded by the American Institute of CPAs exclusively to CPAs who have passed a comprehensive technical exam covering personal financial planning topics, have a required amount of business experience and complete lifelong learning and education activities. CPAs who have earned the PFS Credential must be recertified every three years to maintain their credential.

The Accredited in Business Valuation (ABV) credential is awarded by the American Institute of CPAs exclusively to CPAs who have passed an exam, demonstrating experience in the area of business valuation and financial forensics as well as completing life-long learning and education activities in the area of valuation. CPAs who have earned the ABV Credential must be recertified every three years to maintain their credential.

The CERTIFIED FINANCIAL PLANNER™ and CFP® are professional certification marks of the Certified Financial Planner Board of Standards, Inc. In order to use the CFP® mark, an individual must have an undergraduate degree, complete an advanced college-level course of study in financial planning subject areas, pass the comprehensive CFP® examination and have at least three years of experience in financial planning. In addition, thirty hours of continuing education are required every two years.

The Chartered Financial Analyst® charter holder (CFA®) is a global certification for investment professionals from the CFA Institute. It requires an undergraduate degree or professional work experience, passing a series of three exams focusing on investment, economic and financial topics, and membership in the CFA Institute.

The Chartered Market Technician (CMT) designation is awarded to candidates who demonstrate proficiency in a broad range of technical analysis of the financial markets. It is made up of an educational component, experience requirement, ethics requirement, and a membership requirement in the Market Technicians Association.

A Chartered Life Underwriter (CLU) is a professional designation for individuals who wish to specialize in life insurance and estate planning. Individuals must complete five core courses and three elective courses, and successfully pass all eight two-hour, 100-question examinations in order to receive the designation.

The Chartered Financial Consultant (ChFC) is the "Advanced Financial Planning" designation awarded by The American College of Financial Services. Charter holders use the designation ChFC on their resumes and are qualified to provide comprehensive advanced financial planning for individuals, professionals, and small business owners.