

**Cornerstone  
Professional  
Advisor Services, LLC**

The logo consists of a stylized, three-dimensional representation of the letter 'C' or a similar geometric shape, rendered in shades of gray.

**Firm Brochure**

(Part 2A of Form ADV)

**Cornerstone Professional Advisor Services, LLC.**

**9 Endo Boulevard**

**Garden City, NY 11530-6799**

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**JULY 24, 2017**

This brochure provides information about the qualifications and business practices of Cornerstone Professional Advisor Services, LLC. ("CPASLLC"). If you have any questions about the contents of this brochure, please contact us at: (516) 408-1160, or by email at: [ssolano@cpasllc.com](mailto:ssolano@cpasllc.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

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

***References herein to CPASLLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.***

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**Material Changes**

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**Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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**Material Changes since the Last Update**

Mr. Steve Solano has been appointed as CCO replacing Mr. David Kelly, effective immediately. Mr. Kelly will continue to act as Chief Investment Officer.

Mr. Alfonso Figliolia and Mr. David Kelly are now registered representatives and licensed insurance agents of SA Stone Wealth Management, Inc, formerly known as Sterne, Agee.

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**Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (516) 408-1160 or by email at: [dkelly@cpasllc.com](mailto:dkelly@cpasllc.com).

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**Advisory Business**

Cornerstone Professional Advisor Services, LLC. ("CPASLLC") is a limited liability company formed on September 1, 2001 in the state of New York. CPAS became registered as an Investment Adviser Firm on September 1, 2001. CPASLLC is mutually owned by David Kelly, Alfonse Figliolia and Steven Madonna.

As discussed below, CPASLLC offers to its clients (individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations.) investment advisory services, and, to the extent specifically requested by a client, financial planning.

**INVESTMENT ADVISORY SERVICES**

The client can determine to engage CPASLLC to provide discretionary investment advisory services on a *fee-only* basis. CPASLLC's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under CPASLLC's management (between 0.25% and 1.00%) as follows:

<b>Market Value of Portfolio</b>	<b>% of Assets</b>
Up to \$500k	1.50%
\$500,000 - \$1,000,000	1.25%
\$1,000,000 - \$2,000,000	1.00%
\$2,000,000 - \$3,000,000	0.75%
\$3,000,000 - \$5,000,000	0.50%
More than \$5,000,000	0.35%

CPASLLC's annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning. In the event that the client requires extraordinary financial planning (to be determined in the sole discretion of CPASLLC), CPASLLC may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

### FINANCIAL PLANNING SERVICES

To the extent specifically requested by a client, CPASLLC's *may* determine to provide financial planning (including investment and non-investment related matters, including retirement planning, tax planning, education funding, estate planning, insurance planning, death and disability planning, etc.) on a stand-alone separate fee basis. CPASLLC's financial planning fees are negotiable, but generally range from \$150 to \$250 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging CPASLLC to provide financial planning, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with CPASLLC setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to CPASLLC commencing services. If requested by the client, CPASLLC may recommend the services of other professionals for implementation purposes, including its affiliated certified public accounting firm and/or CPASLLC's representative, David Kelly, Al Figliolia and Steven Madonna, in their individual capacities as licensed insurance agents. (See disclosure at Items 10.C.6 and 10.C.8 respectively). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from CPASLLC. Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Please Also Note:** It remains the client's responsibility to promptly notify CPASLLC if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising CPASLLC's previous recommendations and/or services.

### THIRD-PARTY ADVISORY SERVICES

CPASLLC may engage third-party advisors for the purpose of assisting it with the management of its client accounts. The third-party advisors shall have discretionary authority for the day-to-day management of the assets that are allocated to it by CPASLLC. In connection with these arrangements, we will provide assistance in the initial selection and ongoing monitoring of a particular third-party advisor. Factors that we consider in the selection of a particular third-party advisor include, but are not limited to: i) our assessment of a particular third-party advisor; ii) your risk tolerance, goals, objectives and restrictions, as well as investment experience; and iii) the assets you have available for investment.

You should know that the services provided by us through the use of a third-party advisor are under certain conditions directly offered by them to you. The fees charged by third-party advisors who offer their programs directly to you may be more or less than the combined fees charged by the third-party advisors and CPASLLC for our participation in the investment programs. However, when using the services of third party-advisors directly, you do not receive our expertise in developing an investment strategy, selecting a third-party advisor, monitoring the performance of your account and recommending a change of a particular third-party advisor when appropriate.

Currently, CPASLLC recommends the third-party advisory services of Manning & Napier Advisory Advantage Corporation, Charles Schwab & Co., Inc. SEI Investments, City National Rochdale LLC, Ascensus, Transamerica Retirement Solutions and Paychex.

CPASLLC's Chief Compliance Officer, Steve Solano, remains available to address any questions concerning CPASLLC's sub-advisory arrangements.

#### **CUSTODIANS**

CPASLLC may contract with other firms for administrative services in carrying out its duties under the Asset Management Agreement, including trade processing at the direction of CPASLLC, collection of management fees, record maintenance and report preparation, and Client agrees to execute a limited power of attorney in favor of such firms as required for them to carry out those services.

CPASLLC intends to use Charles Schwab ("Schwab") for such services, plus research and marketing assistance. Client acknowledges that Schwab is acting only as a provider of Administrative services to CPASLLC and CPASLLC is responsible to Client for all investment advice provided pursuant to the Asset Management Agreement. CPASLLC pays a fee for services based on the fees paid to CPASLLC on accounts that use Schwab. There is no additional charge to the client for these services.

#### **CLIENT OBLIGATIONS**

In performing its services, CPASLLC shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify CPASLLC if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising CPASLLC's previous recommendations and/or services.

#### **DISCLOSURE STATEMENT**

A copy of CPASLLC's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Asset Management Agreement or Financial Planning and Consulting Agreement*.

Any client who has not received a copy of CPASLLC's written Brochure at least 48 hours prior to executing the *Asset Management Agreement or Financial Planning and Consulting Agreement* shall have five business days subsequent to executing the agreement to terminate CPASLLC's services without penalty.

CPASLLC shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, CPASLLC shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on CPASLLC's services.

CPASLLC does not participate in a wrap fee program.

As of June 30, 2017, CPASLLC managed assets of \$50,474,174 on a discretionary basis at Charles Schwab & Company and SEI Investments, Inc. CPASLLC also acts as a retirement plan co-fiduciary on \$4,718,242 of ERISA assets held at Ascensus, Paychex & Transamerica Retirement Solutions. CPASLLC also acts as a solicitor for \$52,616,099 of individual assets held at Manning & Napier, as well as \$2,697,193 of individual assets held at City National Rochdale, LLC. In all, CPASLLC manages a total of \$110,505,708 in client assets.

### **Fees and Compensation**

#### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage CPALLC to provide discretionary investment advisory services on a *fee-only* basis. CPASLLC's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under CPASLLC's management (between 0.25% and 1.00%) as follows:

<b>Market Value of Portfolio</b>	<b>% of Assets</b>
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\$2,000,000 - \$3,000,000	0.75%
\$3,000,000 - \$5,000,000	0.50%
More than \$5,000,000	0.35%

CPASLLC's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning services. In the event that the client requires extraordinary financial planning services (to be determined in the sole discretion of CPASLLC), CPASLLC may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

### FINANCIAL PLANNING

To the extent specifically requested by a client, CPASLLC *may* determine to provide financial planning (including investment and non-investment related matters, including retirement planning, tax planning, education funding, estate planning, insurance planning, death and disability planning, etc.) on a stand-alone separate fee basis. CPASLLC's financial planning fees are negotiable, but generally range from \$150 to \$250 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

Clients may elect to have the CPASLLC'S advisory fees deducted from their custodial account. Both CPASLLC'S *Asset Management Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of CPASLLC 's investment advisory fee and to directly remit that management fee to CPASLLC in compliance with regulatory procedures. In the limited event that the CPASLLC bills the client directly, payment is due upon receipt of the CPASLLC's invoice. CPASLLC shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

As discussed below, unless the client directs otherwise or an individual client's circumstances require, CPASLLC shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to CPASLLC's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker/dealers with whom CPASLLC and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other various SEC registered and FINRA member broker-dealers (in which



event, the client shall incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by *Schwab*).

CPASLLC's financial planning agreement, once engaged, can be terminated, upon written notice by either party, within the first five (5) business days without penalty. However, the Client will incur a pro-rata charge or receive a prorated refund for bona fide services actually rendered prior to such termination after the fifth business day.

Once plan is delivered to the Client, the Client then has 3 business days to review the plan and request any modifications. The Agreement is completed on the 10th day after delivery of final plan.

In the event that the client desires, the client can engage certain of CPASLLC's principals or associated persons in their individual capacities as registered representatives of SA Stone Wealth Management, Inc., a FINRA broker-dealer, to implement investment recommendations. In the event the Client chooses to purchase investment products through David Kelly, Al Figliolia as a registered representative of SA Stone Wealth Management, Inc., brokerage commissions will be charged by SA Stone Wealth Management, Inc., to effect securities transactions, a portion of which commissions shall be paid by SA Stone Wealth Management, Inc prior to effecting any transactions, the Client will be required to enter into a new account agreement with SA Stone Wealth Management, Inc.

Advice offered by certain principals and associated persons of CPASLLC ("IARs") may involve investments in mutual funds. Mutual funds may carry loads (i.e. sales charges) that may be up-front or on a contingent deferred basis or be no-loads with no initial or contingent deferred sales charges. Fees paid to CPASLLC or any IAR for advisory services are separate from the fees and expenses charged to shareholders of mutual fund shares by the mutual fund companies. A complete explanation of fees and expenses charged by mutual funds is contained in each mutual fund's prospectus. Clients are advised that certain IARs are Registered Representatives of SA Stone Wealth Management, Inc., a registered Broker/Dealer, member of the Financial Industry Regulatory Authority ("FINRA") and SIPC. Therefore, IAR's have a conflict of interest in recommending mutual funds that carry a load since such mutual funds will pay IAR, in his or her capacity as a Registered Representative of the broker/dealer, a commission should the purchase be made through IARs.

A conflict of interest may exist between the interests of CPASLLC and/or its IARs and the interests of Client in that CPASLLC and David Kelly and Al Figliolia offer financial planning and investment advisory services for a fee and also offer various securities products for which they may be paid a commission in their capacity of a Registered Representative of SA Stone Wealth Management, Inc.

Clients are advised that the investment recommendations and advice offered by CPASLLC are not legal advice or accounting advice. Clients should coordinate and discuss the impact of financial advice with their attorney and/or accountant. Clients are advised that it is necessary to inform CPASLLC promptly with respect to any changes in Client's financial situation and investment goals and objectives. Failure to notify CPASLLC of any such changes could result in investment recommendations not meeting the needs of Client.

At all times clients have the option to purchase investment products recommended by CPASLLC through unaffiliated brokers or agents.

Less than 80% of CPASLLC's revenue comes from life, disability and group health insurance.

CPASLLC does not charge its advisory clients commissions and/or markups.

#### **Performance-Based Fees and Side-By-Side Management**

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Neither CPASLLC nor any supervised person of CPASLLC accepts performance-based fees.

#### **Types of Clients**

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CPASLLC's clients shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. CPASLLC generally requires an annual minimum account size of \$250,000 for investment advisory services.

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

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Security analysis methods involve the following fundamental analysis:

Modern Portfolio Theory – CPASLLC's investment approach is firmly rooted in the belief that markets are "efficient" and that investor's returns are determined primarily by asset allocation decisions, rather than market timing or security selection. CPASLLC recommends diversified portfolios, principally through the use of passively managed mutual funds.

CPASLLC may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year) CPASLLC's investment philosophy is designed for investors who desire a buy and hold strategy, with an investment time horizon minimum of five years and preferably ten years or more.
- Short Term Purchases (securities sold within a year)

CPASLLC's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis CPASLLC must have access to current/new market information. CPASLLC has no control over the dissemination rate of market information; therefore, unbeknownst to CPASLLC, certain analyses may be compiled with outdated market information, severely limiting the value of the CPASLLC's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

CPASLLC's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop.

Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

Currently, CPASLLC primarily allocates client investment assets among various mutual funds and/or fixed income securities, on a discretionary basis in accordance with the client's designated investment objective(s).

#### **Disciplinary Information**

CPASLLC or any of its management persons or P.F.A's have not been the subject of any disciplinary actions.

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### Other Financial Industry Activities and Affiliations

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Certain of CPASLLC's principals or associated persons in their individual capacities are also registered representatives of SA Stone Wealth Management, Inc, a FINRA broker-dealer, to implement investment recommendations.

Neither CPASLLC, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

#### ACCOUNTANT AND ACCOUNTING FIRM

Certain of CPASLLC's members own shares in Madonna & Company, Inc. ("M+C"), an affiliated certified public accounting firm. CPASLLC does not render accounting advice or tax preparation services to its clients. Rather, to the extent that a client requires accounting advice and/or tax preparation services, CPASLLC, if requested, will recommend the services of M+C, all of which services shall be rendered independent of CPASLLC pursuant to a separate agreement between the client and M+C. CPASLLC shall not receive any of the fees charged by M+C, referral or otherwise. Although CPASLLC shall not receive referral fees from M+C, certain of CPASLLC's members, who individually own an interest in M+C shall be entitled to receive distributions relative to their respective ownership interests in H+C.

**Please Note:** The recommendation that a client engage M+C in its capacity as a certified public accounting firm, presents a *conflict of interest*. No client is under any obligation to engage M+ C or Mr. Madonna for accounting advice or tax preparation services.

CPASLLC's Chief Compliance Officer, Steve Solano, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

#### LICENSED INSURANCE AGENCY/AGENT

CPASLLC has arrangements that are material to its advisory or its clients with a related person who is an insurance agent. In this regard, CPASLLC principals, David Kelly and Steven Madonna, are licensed insurance agents, and in such capacity, may introduce clients to insurance agencies to obtain certain insurance-related products. Accordingly, CPASLLC does not exercise any discretionary authority with respect to a client's decision to obtain such insurance-related products, but may receive fees in connection therewith. With respect to the purchase of any variable annuity, the client will also incur a charge imposed directly by the insurance company, the details of which will be presented to the client separately in connection with the sale of the insurance product.

**Conflict of Interest:**

The recommendation by any of CPASLLC's representatives that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need.

No client is under any obligation to purchase any commission products from CPASLLC or its representatives. Clients are reminded that they may purchase insurance products recommended by CPASLLC through other, non-affiliated insurance agents.

CPASLLC's Chief Compliance Officer, Steve Solano, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

CPASLLC does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

**Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

CPASLLC maintains an investment policy relative to personal securities transactions. This investment policy is part of CPASLLC's overall Code of Ethics, which serves to establish a standard of business conduct for all of CPASLLC's members that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, CPASLLC also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by CPASLLC or any person associated with CPASLLC.

Neither CPASLLC nor any related person of CPASLLC recommends, buys, or sells for client accounts, securities in which CPASLLC or any related person of CPASLLC has a material financial interest.

CPASLLC has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of CPASLLC's "Access Persons". CPASLLC's securities transaction policy requires that Access Person of CPASLLC must provide the Chief Compliance Officer or his/her designee with a written report of the their current securities holdings within thirty (30) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date CPASLLC selects; provided,

however that at any time that CPASLLC has only one Access Person, he or she shall not be required to submit any securities report described above.

CPASLLC has implemented an investment policy relative to personal securities transactions. This investment policy is part of CPASLLC's overall Code of Ethics which serves to establish a standard of business conduct for all of CPASLLC's members that is based upon fundamental principles of openness, integrity, honesty and trust.

In accordance with Section 204A of the Investment Advisers Act of 1940, CPASLLC also maintains and enforces written policies reasonably designed to prevent the misuse of material nonpublic information by CPASLLC or any person associated with CPASLLC. Although commissions generated by the purchase of securities and insurance products through CPASLLC or its members may or may not cause its recommendations to be free from self-interest, or a conflict of interest, the client is under no obligation to accept or implement CPASLLC's recommendations.

### Brokerage Practices

In the event that the client requests that CPASLLC recommend a broker/dealer-custodian for execution and/or custodial services (exclusive of those clients that may direct CPASLLC to use a specific broker-dealer/custodian), CPASLLC generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging CPASLLC to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with CPASLLC setting forth the terms and conditions under which CPASLLC shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker/dealer-custodian.

Factors that CPASLLC considers in recommending *Schwab* (or any other broker/dealer-custodian to clients) include historical relationship with CPASLLC, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by CPASLLC's clients shall comply with CPASLLC's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker/dealer might charge to effect the same transaction where CPASLLC determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker/dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although CPASLLC will seek competitive

rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker/dealer-custodian are exclusive of, and in addition to, CPASLLC's investment management fee. CPASLLC's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

CPASLLC does not receive soft dollars from broker-dealers.

CPASLLC does not receive referrals from broker-dealers.

CPASLLC does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and CPASLLC will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by CPASLLC. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs CPASLLC to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through CPASLLC.

CPASLLC's Chief Compliance Officer, Steve Solano, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

To the extent that CPASLLC provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless CPASLLC decides to purchase or sell the same securities for several clients at approximately the same time. CPASLLC may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among CPASLLC's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase

and sale orders placed for each client account on any given day. CPASLLC shall not receive any additional compensation or remuneration as a result of such aggregation.

### Review of Accounts

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For those clients to whom CPASLLC provides investment supervisory services, account reviews are conducted on an ongoing basis by CPASLLC's Principal and representatives. All investment supervisory clients are advised that it remains their responsibility to advise CPASLLC of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with CPASLLC on an annual basis.

CPASLLC may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. CPASLLC may also provide a written periodic report summarizing account activity and performance.

### Client Referrals and Other Compensation

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As referenced above, CPASLLC may receive an indirect economic benefit from *Schwab*. CPASLLC, without cost (and/or at a discount), may receive support services and/or products from *Schwab*. CPASLLC's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by CPASLLC to *Schwab* or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

CPASLLC's Chief Compliance Officer, Steve Solano remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

If a client is introduced to CPASLLC by either an unaffiliated or an affiliated solicitor, CPASLLC may pay that solicitor a referral fee in accordance with the requirements of



Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements.

Any such referral fee shall be paid solely from CPASLLC's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to CPASLLC by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of CPASLLC's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between CPASLLC and the solicitor, including the compensation to be received by the solicitor from CPASLLC.

### Custody

CPASLLC shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. CPASLLC may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that CPASLLC provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by CPASLLC with the account statements received from the account custodian.

**Please Also Note:** The account custodian does not verify the accuracy of CPASLLC's advisory fee calculation.

### Investment Discretion

The client can determine to engage CPASLLC to provide investment advisory services on a discretionary basis. Prior to CPASLLC assuming discretionary authority over a client's account, client shall be required to execute an *Asset Management Agreement*, naming CPASLLC as client's attorney and agent in fact, granting CPASLLC full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage CPASLLC on a discretionary basis may, at anytime, impose restrictions, in writing, on CPASLLC's discretionary authority. (*i.e.* limit the types/amounts of particular

securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe CPASLLC's use of margin, etc.)

### Voting Client Securities

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CPASLLC does not vote client proxies, with the notable exception of mutual funds within the Charles Schwab investment platform. Therefore, although CPASLLC may provide investment advisory services relative to client investment assets, CPASLLC's clients maintain responsibility (except for the Charles Schwab investment platform) for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. CPASLLC and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Clients may contact CPASLLC to discuss any questions they may have with a particular solicitation.

### Financial Information

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CPASLLC does not solicit fees of more than \$1,200, per client, six months or more in advance.

CPASLLC is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

CPASLLC has not been the subject of a bankruptcy petition.

**ANY QUESTIONS:** CPASLLC's Chief Compliance Officer, Steve Solano, remains available to address any questions that a client may have regarding the above disclosures and arrangements.