

**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**

(Item 1 - Part 2A of Form ADV)

**Cornerstone Professional Advisor Services, LLC.**

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**Garden City, NY 11530-6799**

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**MARCH 01, 2023**

This brochure provides information about the qualifications and business practices of Cornerstone Professional Advisor Services, LLC. ("CPAS"). 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 CPAS is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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

TOC 1

CORNERSTONE PROFESSIONAL ADVISOR SERVICES, LLC.

## Item 2 - 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

#### **Item 4 – Advisory Business (CUSTODIANS)**

This section has been updated to include a section with the Firm’s policies on IRA rollover recommendations to comply with the U.S. Department of Labor Prohibited Transaction Exemption 2020-02 (“PTE 2020-02”).

At any time, you may view the current Firm Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at

<https://adviserinfo.sec.gov/firm/summary/115122>

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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) 408-1150 or by email at: [ssolano@cpasllc.com](mailto:ssolano@cpasllc.com).

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#### Item 4 - Advisory Business

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

CPAS offers its clients (individuals, high net worth 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 engage CPAS to provide discretionary investment advisory services on a *fee-only* basis. CPAS' annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under CPAS' management (between 0.25% and 1.50%) as follows:

Market Value of Portfolio	% of Assets
Up to \$500k	1.50%
\$500,000 - \$1,000,000	1.25%
\$1,000,001 - \$2,000,000	1.00%
\$2,000,001 - \$3,000,000	0.75%
\$3,000,001 - \$5,000,000	0.50%
More than \$5,000,001	0.35%

CPAS' 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 CPAS), CPAS may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written agreement to the client.

## **FINANCIAL PLANNING SERVICES**

To the extent specifically requested by a client, CPAS may 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. CPAS' 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 CPAS to provide financial planning, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with CPAS 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 CPAS commencing services. If requested by the client, CPAS may recommend the services of other professionals for implementation purposes, including its affiliated certified public accounting firm, Madonna & Co., ("M+C") and/or CPAS' representatives, David Kelly, Al Figliolia and Steven Madonna, in their individual capacities as licensed insurance agents. (See additional information below in Item 10 - Other Financial Industry Activities and Affiliations). The client is under no obligation to engage the services of any such recommended professional(s). The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from CPAS. 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 CPAS if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising CPAS' previous recommendations and/or services.

## **THIRD-PARTY ADVISORY SERVICES**

CPAS may engage third-party advisors for the purpose of assisting it with the management of its client's accounts. The third-party advisors shall have discretionary authority for the day-to-day management of the assets that are allocated to it by CPAS. 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 CPAS 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, CPAS recommends the third-party advisory services of Manning & Napier Advisory Advantage Corporation, SEI Investments, City National Rochdale LLC, Ascensus, Transamerica Retirement Solutions, Nationwide and Paychex.

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

### **CUSTODIANS**

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

Pending the successful transition from TD Ameritrade, CPAS intends to use SEI Corporation ("SEI") for such custodial services that may include certain research and marketing assistance. Client acknowledges that SEI is acting only as a provider of Administrative services to CPAS and CPAS is responsible to Client for all investment advice provided pursuant to the Asset Management Agreement. SEI pays a fee for services based on the fees paid to CPAS on accounts that use SEI. There is no additional charge to the client for these services.

### **CLIENT OBLIGATIONS**

In performing its services, CPAS 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 CPAS if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising CPAS' previous recommendations and/or services.

### **DISCLOSURE STATEMENT**

A copy of CPAS' 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 CPAS' 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 CPAS' services without penalty.

CPAS 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, CPAS 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 CPAS' services.

### **IRA ROLLOVER CONSIDERATIONS AND RECOMMENDATIONS**

CPAS complies with the Department of Labor ("**DOL**") Prohibited Transaction Exemption 2020-02 ("**PTE 2020-02**") where applicable. Our firm is providing the following additional acknowledgment:

When we provide investment advice to individuals regarding a retirement plan account or individual retirement account, we are deemed a fiduciary 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 potential conflicts with your interest. Therefore, we operate under a special rule which requires us to act in a client's best interest and not put our interest ahead of the client. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put the Adviser's financial interests ahead of a client when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees and investments;
- Follow policies and procedures designed to ensure advice given is in the client's best interest;
- Charge no more than is reasonable for services; and
- Provide basic information about conflicts of interest.

We benefit financially from the rollover of a client's assets from a retirement account to an account managed by the Firm. This is a primary conflict of interest because when we provide investment advice, the assets increase the Firm assets under management and, in turn, advisory fees. To meet the fiduciary responsibility, we only recommend a rollover when it is deemed in the client's best interest.

As of December 31, 2022, CPAS managed assets of \$69,083,994 on a discretionary basis at TDAI and SEI Investments, Inc. CPAS also acts as a retirement plan co-fiduciary on \$6,581,210 of ERISA assets held at Ascensus, Paychex, Transamerica Retirement Solutions and Nationwide. CPAS also acts as a solicitor for \$43,454,735 of individual assets held at Manning & Napier, as well as \$2,376,440 of individual assets held at City National Rochdale, LLC and. In total, CPAS manages \$121,496,379 in client assets.

## Item 5 - Fees and Compensation

### INVESTMENT ADVISORY SERVICES

The client can engage CPALLC to provide discretionary investment advisory services on a *fee-only* basis. CPAS' annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under CPAS' management (between 0.35% and 1.50%) as follows:

<b>Market Value of Portfolio</b>	<b>% of Assets</b>
Up to \$500k	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - \$2,000,000	1.00%
\$2,000,001 - \$3,000,000	0.75%
\$3,000,001 - \$5,000,000	0.50%
More than \$5,000,001	0.35%

CPAS' annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning services. In the event the client requires extraordinary financial planning services (to be determined in the sole discretion of CPAS), CPAS 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.

Clients may elect to have the CPAS' advisory fees deducted from their custodial account. Both CPAS' Asset Management Agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of CPAS' investment advisory fee and to directly remit that management fee to CPAS in compliance with internal procedures. In the limited event that CPAS bills the client directly, payment is due upon receipt of CPAS' invoice. CPAS shall deduct fees and/or bill clients quarterly in arrears, 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, CPAS shall generally recommend that SEI serve as the broker-dealer/custodian for client investment management assets.

Broker-dealers such as SEI 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 CPAS' 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 CPAS and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other various SEC-registered and the Financial Industry Regulatory Authority (“FINRA”) 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 SEI).

In the event that the client desires, the client can engage certain of CPAS’ 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 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 CPAS (“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 CPAS 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, members of 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 SA Stone Wealth Management.

A conflict of interest may exist between the interests of CPAS and/or its IARs and the interests of Client in that CPAS and David Kelly 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 his capacity as a Registered Representative of SA Stone Wealth Management, Inc.

Clients are advised that the investment recommendations and advice offered by CPAS 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 CPAS promptly with respect to any changes in Client's financial situation and investment goals and objectives. Failure to notify CPAS 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 CPAS through unaffiliated brokers or agents.

Less than 80% of CPAS' revenue comes from life, disability and group health insurance. CPAS does not charge its advisory clients commissions and/or markups.

### **FINANCIAL PLANNING**

CPAS' 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.

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

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

### **Item 7 - Types of Clients**

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

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

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Security analysis methods involve the following fundamental analysis:

Modern Portfolio Theory – CPAS' 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 individual security selection. CPAS recommends diversified portfolios, principally through the use of passively managed mutual funds.

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

- Long Term Purchases (securities held at least a year) CPAS' 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)

CPAS' 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 CPAS must have access to current/new market information.

CPAS has no control over the dissemination rate of market information; therefore, unbeknownst to CPAS, certain analyses may be compiled with outdated market information, severely limiting the value of CPAS' 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.

CPAS' 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, CPAS primarily allocates client investment assets among various mutual funds, Exchange Traded Funds ("ETFs") and/or fixed income securities, on a discretionary basis in accordance with the client's designated investment objective(s).

#### **Item 9 - Disciplinary Information**

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CPAS or any of its management persons have not been the subject of any disciplinary actions.

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

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Certain of CPAS' 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 CPAS, 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 CPAS' members own shares in M+C, an affiliated certified public accounting firm. CPAS 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, CPAS, if requested, will recommend the services of M+C, all of which services shall be rendered independent of CPAS pursuant to a separate agreement between the client and M+C.

CPAS shall not receive any of the fees charged by M+C, referral or otherwise. Although CPAS shall not receive referral fees from M+C, certain of CPAS' members, who individually own an interest in M+C shall be entitled to receive distributions relative to their respective ownership interests in M+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.

CPAS' 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**

CPAS has arrangements that are material to its advisory and/or its clients with a related person who is an insurance agent. In this regard, CPAS' principals, David Kelly, Al Figliolia and Steven Madonna, are licensed insurance agents, and in such capacity, may introduce clients to insurance agencies to obtain certain insurance-related products.

Accordingly, CPAS 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.

The recommendation by any of CPAS' 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 CPAS or its representatives. Clients are reminded that they may purchase insurance products recommended by CPAS through other, non-affiliated insurance agents.

CPAS '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.

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

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

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As a fiduciary, CPAS maintains a Code of Ethics which serves to establish a standard of business conduct for all of CPAS' members that is based upon fundamental principles of openness, integrity, honesty and trust. A copy of CPAS' Code of Ethics is available upon request.

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

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

CPAS has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of CPAS' "Supervised Persons". CPAS' securities transaction policy requires that each supervised person must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within thirty (30) days after becoming a supervised person.

Additionally, each supervised person must provide the Chief Compliance Officer or his/her designee with a written report of the supervised person's current securities holdings at least once each calendar quarter thereafter.

### **Item 12 - Brokerage Practices**

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

Factors that CPAS considers in recommending SEI include historical relationship with CPAS, financial strength, reputation, execution capabilities, pricing, research, and service.

Although the commissions and/or transaction fees paid by CPAS' clients shall comply with CPAS' 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 CPAS 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 CPAS 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, CPAS' investment management fee.

CPAS does not receive soft dollars from broker-dealers, nor receives any referrals from broker-dealers.

CPAS 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 CPAS 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 CPAS.

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 CPAS 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 CPAS.

CPAS' 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 CPAS provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless CPAS decides to purchase or sell the same securities for several clients at approximately the same time.

CPAS 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 CPAS’ 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. CPAS shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13 - Review of Accounts**

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For those clients to whom CPAS provides investment supervisory services, account reviews are conducted on an ongoing basis by CPAS' principals. All investment supervisory clients are advised that it remains their responsibility to advise CPAS 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 CPAS on an annual basis.

CPAS 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. CPAS may also provide a written periodic report summarizing account activity and performance.

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

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As referenced above, CPAS may receive an indirect economic benefit from SEI. CPAS, without cost (and/or at a discount), may receive support services and/or products from SEI. CPAS’ clients do not pay more for investment transactions effected and/or assets maintained at SEI as a result of this arrangement. There is no corresponding commitment made by CPAS to SEI 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.

CPAS’ 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 CPAS by either an unaffiliated or an affiliated solicitor, CPAS 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 CPAS' investment management fee, and shall not result in any additional charge to the client. If the client is introduced to CPAS 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 CPAS' written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between CPAS and the solicitor, including the compensation to be received by the solicitor from CPAS.

### **Item 15 - Custody**

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CPAS 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. CPAS may also provide a written periodic report summarizing account activity and performance.

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

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

### **Item 16 - Investment Discretion**

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The client can engage CPAS to provide investment advisory services on a discretionary basis.

Prior to CPAS assuming discretionary authority over a client's account, client shall be required to execute an *Asset Management Agreement*, naming CPAS as client's attorney and agent in fact, granting CPAS 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 CPAS on a discretionary basis may, at any time, impose restrictions, in writing, on CPAS' 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 CPAS' use of margin, etc.)

### **Item 17 - Voting Client Securities**

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CPAS does not vote client proxies, with the notable exception of mutual funds within the SEI investment platform. Therefore, although CPAS may provide investment advisory services relative to client investment assets, CPAS' clients maintain responsibility (except for the SEI 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. CPAS 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 CPAS to discuss any questions they may have with a particular solicitation.

### **Item 18 - Financial Information**

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

CPAS 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.

CPAS has not been the subject of a bankruptcy petition.

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