

CYPRESS CAPITAL GROUP, INC.

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Cypress Capital Group, Inc. If you have any questions about the contents of this brochure, please contact us at 561-659-5889. 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 Cypress Capital Group, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Cypress Capital Group, Inc. is 121923.

Cypress Capital Group, Inc. is a United States Securities and Exchange Commission Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

CYPRESS CAPITAL GROUP, INC.

Cypress Capital Group, Inc. F/K/A Palm Beach Investment Advisors has been managing investment advisory accounts for clients since 1988. Cypress Capital Group has been doing business in its own name since 2004. Cypress Capital Group has multiple service locations in the State of Florida and provides investment advice to clients throughout the United States.

Dr. Jayaram Chigurupati is the principal owner of Cypress Capital Group with more than twenty-five percent ownership. He also serves as Cypress Capital Group's President, Chief Executive Officer and Vice Chairman of the Board of Directors.

INVESTMENT MANAGEMENT SERVICES

Cypress Capital Group focuses on individual security management using the following asset classes:

Equity Securities (Exchange-listed and over the counter securities [including Master Limited Partnerships traded as equities]; and foreign issues)

Fixed Income Securities (Corporate Debt, Commercial Paper, Certificates of Deposit, Convertible Bonds, Municipal Bonds, and United States Government Bonds)

With occasion use of: **Warrants and Options.**

We develop and manage customized portfolios of individual securities based on the unique needs of each client. Portfolios are constructed after a personalized analysis of each client's lifestyle, including the client's risk tolerance, investment horizon, and requirements for income. Clients may place written restrictions and limitations regarding investments in certain securities or types of securities. Client investor profiles are updated throughout the advisory relationship periodically and as lifestyle changes occur.

For certain, prequalified Cypress Capital Group clients, Cypress Capital Group, with the prequalified client's approval, may engage the services of outside investment advisors to provide investment strategies and access to asset classes beyond Cypress Capital Group's above described focus areas and asset classes to meet the client's needs. Additional fees, if any, for the use of an outside investment advisor will be agreed upon by the prequalified client and Cypress Capital Group in advance in writing.

The prequalification of a Cypress Capital Group client is subject to the applicable standards for and discretion of Cypress Capital Group but generally will be "Accredited Investors" and "Qualified Purchasers" as defined under applicable law and which is done as part of the prequalification process.

The outside investment advisor provides non-discretionary investment advisory services to

Cypress Capital Group for each prequalified client. The implementation of any suggested portfolio strategy and allocations and any possible asset purchases and sales, including the use of the advisor's proprietary investment vehicles is subject to the review and written approval of Cypress Capital Group and the prequalified client.

Cypress Capital Group does not currently participate in wrap fee programs.

FINANCIAL PLANNING

Cypress Capital Group may provide financial planning services (comprehensive or modular), incidental to its investment advisory services. These services are offered pursuant to a separate written agreement and are available on a limited basis to selected clients and/or prospects.

DISCRETIONARY AND NON-DISCRETIONARY MANAGEMENT

Cypress Capital Group manages client assets on both a discretionary and non-discretionary basis.

As of 2/28/2011, Cypress Capital Group had

| | |
|-------------------|---|
| \$ 738,469,796.49 | Discretionary Assets Under Management |
| \$ 234,27, 097.82 | Non-Discretionary Assets Under Management |

Fees and Compensation

Management Fees

Cypress Capital Group offers its advisory services for a fee and generally assesses its' fee monthly. The fee is calculated by a percentage of assets under management. Under this payment option the market value of assets under management in the client's account is determined at the end of each month and prorated based on the actual number of days. The negotiable annualized fee is as follows:

For Accounts holding both equities and fixed income securities or all equities

Where the market value is less than \$500,000

A fee of 1.25% will be charged plus a base fee of \$1,250.

Where the market value is \$500,000 or greater but less than \$1,000,000:

A fee of 1.25% will be charged.

Where the market value is equal to or greater than \$1,000,000:

1.10% on the first \$3,000,000

.80 on the next \$7,000,000

.65 on the next \$10,000,000

Negotiable over \$20,000,000

There is no minimum annual fee for portfolios containing both equities and fixed income securities.

For Accounts holding 100% fixed income securities

.35 on the first \$20,000,000

.30 on the next \$30,000,000

Negotiable over 50,000,000

There is a \$5,000 minimum annual fee.

For Accounts holding 100% convertible securities

1% on all assets

There is a \$10,000 minimum annual fee.

Please note that the annualized fee varies according to the type of securities in the client's account and the relative percentages. For those accounts holding 100% fixed income securities or 100% convertible securities a minimum fee applies.

Special Circumstances

Some clients may be assessed lower fees than those stated above. These would include legacy accounts (established prior to the current fee schedule), multiple account

relationships and other unique circumstances.

Change in Fee Schedule: The fee schedule may be changed from time to time after advance notice.

METHOD OF PAYMENT

Fees for investment management services are generally assessed monthly in arrears. Generally, the fee is automatically deducted from client accounts. We will deduct our advisory fee only when you have given authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you or your designated representative at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. Clients may negotiate on a case-by-case basis for monthly invoicing instead of an automatic deduction.

OTHER FEES AND COSTS

Initial Fee: Upon the opening of a new account, a pro-rated fee will be taken from the day we are operationally capable of trading in the account until the end of the current month or other billing period.

Termination Fee: There are no percentage termination fees. A pro-rated fee will be taken from the first of the month until Cypress Capital Group receives written notice of the client's desire to terminate the relationship. Any "hard dollar" expenses, if any, associated with transferring assets will be charged to the client's account. Further, Cypress Capital Group will be entitled to the total minimum annual fee, if the account is subject to a minimum fee and Cypress Capital Group is involuntarily replaced within the first year of the account opening.

Additional Fees: As part of Cypress Capital Group's investment advisory services, we may invest, or recommend that clients invest, in mutual funds, exchange traded funds or other similar investments. The fees that you pay to Cypress Capital Group for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds (described in each fund's prospectus), or other similar investments. These fees will generally include a management fee and other fund expenses.

Clients will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed.

To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. Refer to the *Brokerage Practices* section below for additional disclosures.

Additional Services: Special customized fees will apply for services not covered by this fee schedule or for other extraordinary services. Any such service must be agreed to in

advance, in writing.

ADVANCED FEES

Generally, Cypress Capital Group prefers to charge fees in arrears. On a case by case basis, clients may negotiate payment in advance. If a client has paid in advance and decides to terminate the relationship Cypress Capital Group will refund the portion of prepaid fees on a pro-rated basis, based upon the number of days in the billing period for which you were a client of the firm.

Cypress Capital Group and its supervised persons do not accept compensation for the sale of securities or other investment products within client accounts. Cypress Capital Group's supervised persons may receive new business incentives for new accounts opened at Cypress Capital Group or asset additions to existing accounts. Any such incentive payments come directly from Cypress Capital Group and do not increase the client's fee.

Financial Planning Fees:

Fees and fee paying arrangements are negotiable and will vary on a case-by-case basis depending on the scope and complexity of the services provided. In some case, financial planning services may be provided at no cost to existing clients who have retained our firm for management services.

Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the "Advisory Business" section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Types of Clients

Cypress Capital Group provides investment advice to various types of clients.

Cypress Capital Group's advisory clients, which include:

- Individuals;
- Individual Retirement Accounts, pension and profit sharing plans;
- Trusts and estates;
- Charitable and educational institutions; and
- Corporations and other business entities.

Cypress Capital Group does not impose a minimum account size for opening or maintaining an account. There may be minimum fees as a condition of managing an account. The minimum fees for the different types of investments are discussed in the section on *Fees and Compensation*.

EQUITY ANALYSIS AND SELECTION

Cypress Capital Group employs a risk/reward philosophy that focuses on growth of capital while mitigating downside risk over full market cycles. This approach is applied through an investment process that weighs expected gains against the level of assumed risk. Our *general* philosophy does not limit potential opportunities to a particular investment style (growth, value, etc.), sector or market capitalization. Cypress Capital Group's investment process used in implementing its *general* philosophy can be used to develop client *specific* portfolios focusing on a particular investment style, sector or capitalization if that *specific* portfolio better meets the client's needs or preferences.

Cypress Capital Group uses a combination of internal and external research to formulate its investment approach. The investment team meets daily to discuss macro-economic trends, sector emphasis and stock-specific ideas. Inherent in this filtering process is extensive analysis of the individual companies, a review of the competitors and their fit within our macro outlook. From our general economic framework and our sector focus, the investment team selects individual equities for placement on or removed from our Focus List. Certain exchange traded funds are also part of this process and added or removed from to this List. The Focus List is unique in that every individual position is assigned specific risk and reward targets based on our internal review of its prospects and risks. When these targets are reached, a fresh discussion and review of the security and its risk and reward target is mandated by our process. The Focus List typically contains 50 - 100 names including certain exchange traded funds for specialty exposure.

Our portfolio managers determine whether investment in a Focus listed security is appropriate for each individual client.

The individualized determination includes the client's:

- Investment Objectives;
- Risk Tolerance;
- Income and Cash Flow Requirements; and
- Tax Considerations.

Occasionally, Cypress Capital Group will manage a portfolio that may contain an individual equity that was a client-directed purchase or is being retained at the request of a client under special circumstances or otherwise not on the Cypress Capital Group Focus List. Cypress Capital Group will place these equities on its Monitor List and generally, the portfolio manager maintaining the biggest position in a Monitor List stock will be assigned to prepare an initial and periodic analysis of the monitored equity. The analysis will use a similar investment approach as used for the Focus List equities. However, all portfolio managers whose accounts own the Monitor List equity in portfolios they manage share responsibility for the ongoing monitoring of a Monitor List equity.

FIXED INCOME ANALYSIS AND SELECTION

Cypress Capital Group uses internal credit analysis, supplemented by various outside credit research sources. Investments in U.S. Government & Agency securities, investment grade corporate securities and high quality tax-free municipal securities are analyzed and considered. The duration of our fixed income investments is considered in the context of our macro-economic outlook and our expectations with regard to shape and direction of the yield curve(s) in general. Typically, our client fixed income portfolios are constructed consistent with a 'ladder approach' to maturities. By spreading our maturities over multi year periods, we remove a significant portion of the interest rate risk. Strategic fixed income decisions are generally implemented via our purchases as opposed to frequent buying and selling. Our portfolio managers work closely with clients to determine the tax-appropriate fixed income investments.

For certain qualified clients, Cypress Capital Group may use

WHAT YOU SHOULD KNOW ABOUT INVESTING

Each investment strategy involves risks. It is impossible to avoid all risk. Cypress Capital Group seeks to employ strategies to reduce the possible impact of such risks in the accounts Cypress Capital Group manages consistent with Investor Profiles.

Common risks associated with fixed income investment include, credit risk and interest rate risk. Credit risk is an investor's risk of loss arising from a borrower who does not make payments as promised. Such an event is called a default. Investor losses could include interest as well as principal. Interest rate risk is the risk borne by an interest-bearing asset due to variability of interest rates. In general, as rates rise, the price of a fixed rate investment will fall, and vice versa.

Cypress Capital Group is credit risk conscious and has a policy to invest in investment grade securities. The ladder approach is usually employed to help ameliorate interest rate risk.

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

The trading of options may be highly speculative and may entail more risk than those present when investing in other types of securities. Prices of options are generally more volatile than prices of other types of securities. When trading in options, you may run the risk of losing the entire investment in a relatively short period of time. In more risky options

strategies, an investor could theoretically have an unlimited risk of loss.

Our Investor Profile also addresses acceptable ranges for cash reserves. While, Cypress Capital Group typically retains some cash reserves in client accounts for strategic reasons and anticipated liquidity needs, risks arise from this activity. Such risk includes opportunity costs and relative yield levels associated with high quality short-term investment.

The application of our investment process to the equity component of portfolios is based on each client's individual investment objective, risk tolerance and cash flow requirements. Cypress Capital Group's portfolio managers select from our Focus List of equities consistent with the needs and preferences of each client. Cypress Capital Group manages market volatility and security-specific risk by diversifying both in terms of economic sector exposure and an adequate number of individual stocks. The risk and reward approach to every single stock on our Focus List, from which portfolio managers select stocks for the individual portfolios, also provides discipline and risk management.

As previously discussed, Cypress Capital Group estimates the risk and reward of investments after analysis and discussion. If the particular security falls within the predetermined risk/reward range it is approved for placement on the Focus list. If the security exceeds the risk/reward range reevaluation is conducted.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. You understand that our investment recommendations for your account are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Disciplinary Information

Cypress Capital Group and its' personnel do not have any of the following material legal or disciplinary events to disclose:

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which Cypress Capital Group or its personnel

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. was found to have been involved in a violation of an investment-related statute or regulation; or
4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which Cypress Capital Group or its personnel:

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
 - (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;
 - (b) barring or suspending your firm's or a management person's association with an investment-related business;
 - (c) otherwise significantly limiting your firm's or a management person's investment-related activities; or

(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

C. A self-regulatory organization (SRO) proceeding in which Cypress Capital Group or its personnel:

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

Other Financial Industry Activities and Affiliations

Cypress Capital Group, is the sole owner of Cypress Trust Company, a State of Florida chartered Trust Company, which provides asset management services, trustee and other related fiduciary services. Cypress Capital Group has engaged Cypress Trust Company as its primary investment sub-advisor for Cypress Capital Group accounts. The sub-advisor services provided by Cypress Trust Company to Cypress Capital Group do not result in an increased cost to Cypress Capital Group clients.

Additionally, Cypress Trust Company provides certain corporate, administrative and operational services to Cypress Capital Group, such as cash and security movement, reconciliation of transactional activity on Cypress Capital Group's investment system, corporate accounting, and information and technology support.

Cypress Convertible Investors, L.L.C., a wholly owned subsidiary of Cypress Capital Group, is the general partner of Cypress Investment Grade Convertible Fund, L.P. (the "Fund"), a private pooled investment vehicle, which invests in convertible bonds and convertible preferred stock. Investments in the Fund are available on a very limited basis. From time to time, Cypress Capital Group's personnel may refer a client for investment in the Fund. The General Partner also shares personnel with Cypress Capital Group, Inc. These affiliations may give rise to a conflict of interest. To reduce the risk of conflict, Cypress Capital Group does not use its investment discretion to invest clients in the Fund. All investments in the Fund are client directed. Investments in the Fund are only offered by private placement memorandum and other offering documents to sophisticated investors meeting certain financial requirements. Investors and prospective investors should refer to the Fund offering documents for complete information on the Fund, risks, investment objectives, conditions for investing and other relevant information.

Second Moment Capital Management L.L.C. is investment sub-advisor to the Fund. Cypress Convertible Investors, L.L.C. receives a fee for its investment advisory services, provided to the Fund, a portion of which is paid by Cypress Convertible Investors, L.L.C. to Second Moment Capital Management L.L.C. for its sub-advisory services. Cypress Convertible Investors' use of Second Moment Capital Management as a sub-advisor does not result in an increased cost to the Fund's investors.

Cypress Capital Group also uses Second Moment Capital Management L.L.C. as a sub-advisor in meeting the investment needs and objectives of some of its clients' individual accounts.

Cypress Capital Group does not receive compensation for recommending or selecting investment advisors and does not believe it has a business relationship with advisors that creates a material conflict of interest.

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

Cypress Capital Group has adopted a Code of Ethics (the "Code"). The Code contains, among other things, our policies on Fiduciary Principals, Guidelines for Professional Standards, Insider Trading, and Personal Securities Transactions. All employees, officers, employee-directors and consultants are required to abide by the Code. The Chief Compliance Officer and his/her designees principally enforce the Code. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

We will provide our Code to any client or prospective client upon request.

Contact Information to Request a Copy:

Cypress Capital Group, Inc.
218 Royal Palm Way
Palm Beach, FL 33480
Attn: Chief Compliance Officer

or

thom.wolek@cypresscapitalgroup.com

Cypress Capital Group prohibits the discretionary sale or purchase of securities directly between client accounts. Also, Cypress Capital Group prohibits the discretionary purchase or sale of a security from a client account to Cypress Capital Group and the discretionary sale or purchase of a security to a client account from Cypress Capital Group. Cypress Capital Group does not recommend its own shares for purchase or sale in a client's account. Should a client desire to purchase or sell Cypress Capital Group shares in his or her account, such trade will be solely client directed with no opinion or recommendation from Cypress Capital Group.

Cypress Capital Group's wholly owned subsidiary, Cypress Convertible Investors L.L.C. is General Partner to Cypress Investment Grade Convertible Bond Fund, L.P. (the "Fund"). The Fund is a private investment fund that invests in convertible bonds and convertible preferred stock. Persons associated with our firm may have made personal investments in the Fund and may therefore have an incentive to recommend the Fund over other investments. Please see *Other Financial Industry Activities and Affiliations* for more information.

Employees, officers, employee-directors, and consultants ("Access Persons") may occasionally trade in securities on their own behalf which are also being traded by Cypress Capital Group on behalf of its clients. Conflicts of interest may arise from Access Person personal trading. For example, such conflicts may include front running.

To prevent these types of conflicts, Cypress Capital Group has adopted an Access Person Personal Trading policy. These policies and procedures are designed to prevent improper or abusive conduct wherever any potential conflict of interest may exist.

The following procedures apply to all Access Persons (excluding outside Directors who do not have daily access to information about securities being considered for purchase or sale or being purchased or sold for client accounts.)

Access Persons are required to:

- 1) Obtain pre-clearance from the Chief Compliance Officer or his or her designee prior to effecting securities transactions for an Access Person's account;
- 2) Have their broker/custodian send a duplicate statement directly to the Chief Compliance Officer.
- 3) Complete a Quarterly Holdings Certification disclosing their accounts.

Access Persons are not permitted to:

- 1) Trade in securities for their own accounts in a manner contrary to recommendations (contemplated or actually) made to or action taken on behalf of clients.
- 2) Knowingly purchase or sell for their own account a security that has been added to or removed from Cypress Capital Group's Focus List for 10 business days after its addition or removal. *The Chief Compliance Officer may waive this requirement after he/she is assured that all Portfolio Managers have executed all trades in that security for client accounts.*
- 3) Knowingly purchase or sell for their own account securities which are under active consideration for removal from or addition to Cypress Capital's Focus List for 10 business days after its removal from consideration. *The Chief Compliance Officer may waive this requirement after he/she is assured that all Portfolio Managers have executed all trades in that security for client accounts.*
- 4) Purchase or sell securities for their own accounts or for client accounts that would involve the use of material, non-public information in violation of applicable law.
- 5) Execute their personal trades as part of a client trade order.

Brokerage Practices

Generally, except for fixed income securities, Cypress Capital Group does direct trades to specific broker-dealers. Unless the client directs otherwise, Cypress Capital Group will place equity transactions through the client's custodian/broker-dealer. These transactions are usually performed electronically. Fixed income transactions are placed with a broker-dealer with the best transactional opportunity in terms of supply and demand for inventory, price and best execution. This broker-dealer may or may not be the client's custodian/broker-dealer and such trading may result in trade away costs.

When transactions are not placed with a client's custodian, Cypress Capital Group acts within the client's trading guidelines. The guidelines are mutually prepared and agreed to by Cypress Capital Group and the client. When no direction or limitation exists, transactions are made in an effort to receive the best execution at a competitive commission. Cypress Capital Group maintains a written brokerage commission policy and attempts to obtain the best overall execution for each client in each trade.

We will consider the following factors, among others, when selecting broker-dealers to execute transactions:

- Availability of straight-through electronic trade processing;
- Quality of overall execution services provided by the broker-dealer;
- Promptness of execution;
- Availability of dedicated telephone lines;
- Creditworthiness, financial condition and business reputation of the broker-dealer;
- Research (if any) provided by the broker-dealer;
- Promptness and accuracy of oral, hard copy or electronic reports of execution;
- Ability and willingness to correct trade errors;
- Promptness and accuracy of confirmation statements;
- Ability to access various market centers;
- The broker-dealer's facilities, including any software or hardware provided to the adviser;
- The market where the security trades;
- Any expertise the broker-dealer may have in executing trades for the particular type of security;
- Commission charged by the broker-dealer;
- Historical commission rates of the broker-dealer;

- Reliability of the broker-dealer;
- Whether the broker-dealer gives Cypress Capital Group clients access to Initial Public Offerings (IPOs);
- Client referrals made by the broker-dealer to the Cypress Capital Group;
- Ability of the broker-dealer to use private trading systems referred to as ECNs (electronic communications networks) to gain liquidity, price improvement, lower commission rates and anonymity;
- Soft dollar program of the broker-dealer;

A client may limit Cypress Capital Group's authority to select brokers or direct that broker's who charge commissions over a certain sum are not to be used. The client must provide these limitations/directions in writing to Cypress Capital Group. Clients may direct brokerage transactions to specific brokers. Please see below for more information regarding client directed-brokerage.

Cypress Capital Group may receive from broker-dealers research services based upon trades that Cypress Capital Group places with the respective broker-dealer or for client directed trades with the respective broker-dealer. These research services are considered a soft dollar benefit. Soft dollar benefits can create an incentive for investment advisers to place trades with a certain broker-dealer, rather than obtaining a best execution for the client. For example, in the case of research services, Cypress Capital Group receives a benefit because it does not have to pay to produce or obtain the research. Research services normally provide a benefit to several accounts rather than just the one for which the order is executed.

The research services to Cypress Capital Group generally consist of research materials offered primarily to fiduciaries for use in the investment decision-making process. Some of the research materials are originated by the broker; others are generated by a third-party. In the later case, the broker has contracted for the research for the purpose of providing research assistance to Cypress Capital Group.

Cypress Capital Group will attempt to make an equitable allocation of portfolio transactions among its various clients when concurrent decisions are made to purchase or sell securities by multiple clients. Consideration will be given to the respective investment objectives, relative size of the portfolio holding the same or comparable securities, the availability of cash for investment, and the opinion of those recommending the investments to clients.

During the last fiscal year, the only soft dollar benefit obtained by Cypress Capital Group was access to an internet-based investment information platform. This information generally benefits all of our clients. Currently, we continue to obtain access to the platform. Cypress Capital Group generally does not direct client transactions to a particular broker-dealer. When a client has not specifically directed brokerage we will execute transactions with the client's custodian. Cypress Capital Group believes that custodian executed trades are preferable because trade away costs can be avoided.

Cypress Capital Group does not have a client referral relationship from or to a third party or broker-dealer which would be a consideration in Cypress Capital Group's recommendation of a broker-dealer. Please see the discussion on *Client Referrals and Compensation* for additional information regarding Cypress Capital Group's client referral relationships.

Cypress Capital Group does not request or require any clients to direct their transactions through a specified broker-dealer. Cypress Capital Group recommends, but does not require, the use of Charles Schwab & Company, Inc., as custodian. Cypress Capital Group may receive *soft dollar benefits* from broker-dealers. Please refer to the discussion above for more information about Cypress Capital Group's *soft dollar practices*. Unless the client directs otherwise Cypress Capital Group will attempt to place trades with the client's custodian.

Clients may direct brokerage transactions to specific brokers. Clients directing brokerage for their accounts should be aware of the following:

1. No attempt is generally made to negotiate commissions on client-directed trades (including batched transactions) and therefore, clients may pay materially disparate commissions.
2. In batched transactions Cypress Capital Group would be in a better position to negotiate commissions (including volume discounts) if the brokerage were not client-directed.
3. Cypress Capital Group may not obtain best execution in certain transactions for these reasons.

Generally, Cypress Capital Group aggregates trade orders for the purchase or sale of securities on behalf of its clients. When aggregating trade orders Cypress Capital Group acts in good faith to prevent favoritism among accounts. Each account receives the weighted average share price for all transactions in a particular security affected to fill the orders on that business day. Transaction costs may be based upon the client's commission arrangement with his/her custodian or shared pro-rata based upon each account's participation in the transaction.

Review of Accounts

Portfolio Managers informally review accounts on an ongoing basis.

Formal reviews are conducted annually. The reviewers include the Portfolio Manager, and two Third-Party Reviewers (independent from the investment activity of the account). The Portfolio Manager and Third-Party Reviewers each conduct an independent account review.

The reviewers pay specific attention to the account's designated investment strategy, when the client's investment profile or other investment directives were last updated, and the fees charged on the accounts. The review process is intended to verify compliance with the client's needs and objectives, uncover errors in coding of accounts on electronic systems, and prompt coordination between Portfolio Managers and clients (for example, where a client has not recently updated his/her investor profile).

Unscheduled client account reviews may be prompted by various events, including:

Client lifestyle changes that may change investment objectives (for example; changes in income requirements, marital status, tax status, health, and death in the family, etc.);
Global events having a widespread impact (socio-economic events, sector specific occurrences, etc).

Most clients receive a monthly statement unless they have opted for a quarterly statement. Statements include the securities owned, cash, and cash equivalents with market values and the percentage of the portfolio each represents. **Statements come directly from the client's custodian and not Cypress Capital Group.** Cypress Capital Group may provide a companion print out as a courtesy. Clients should always compare custodian statements with the companion print outs received from Cypress Capital Group.

Client Referrals and Other Compensation

Cypress Capital Group does not currently receive economic benefits (other than the soft dollar benefits previously discussed) from non clients for providing investment advice or other advisory services to our clients. For more information on Cypress Capital Group's soft dollar practices please see *Brokerage Practices*.

Cypress Capital Group has entered into a written referral agreement with an outside entity whereby Cypress Capital Group compensates the entity for client referrals that result in a new client relationship. Generally, Cypress Capital Group pays a fee to the referring party equal to a percentage of Cypress Capital Group's annualized fee received from such client. The fee paid to the referring party does not increase the client's fee to Cypress Capital Group since such amount is deducted from the overall fee to Cypress Capital Group. The referring party has agreed to comply with the disclosure and other requirements imposed by CFR 275.206 (4)-3.

Cypress Capital Group may enter into written referral agreements in the future with other individuals and/or entities.

Custody

Cypress Capital Group does not currently have custody of its clients' accounts except for three accounts where Cypress Capital Group is deemed to have custody by virtue of the fact that the clients' funds are held by Cypress Trust Company under a custody agreement entered into by the Cypress Capital Group client with Cypress Trust Company. Cypress Trust Company is a Florida registered non-depository trust company. Cypress Trust Company is a related person of Cypress Capital Group. Clients receive account statements from Cypress Trust Company. Clients should carefully review account statements. The use of Cypress Trust Company as custodian for Cypress Capital Group has been discontinued.

Previously, Cypress Capital Group was one of the sub-advisors that Cypress Trust Company used when conducting its own business. Cypress Trust Company is related to Cypress Capital Group (Cypress Capital Group is the sole owner of Cypress Trust Company). Cypress Trust Company has custody of its clients' assets, and is regulated by the Florida Office of Financial Regulation (OFR) and is subject to annual audits including a financial audit and a fiduciary audit of its Policies, Procedures, and internal controls. Cypress Trust Company employs an independent CPA firm to conduct both audits and both annual audits are required to be provided to and reviewed by OFR.

When Cypress Trust Company used Cypress Capital Group as a sub-advisor, Cypress Capital Group, may have been deemed to have custody of Cypress Trust Company's clients' assets imputed to it. However, Cypress Capital Group's client was solely Cypress Trust Company and not Cypress Trust Company's underlying clients. Cypress Trust Company's clients received account statements from Cypress Trust Company not Cypress Capital Group.

Currently, Cypress Trust Company no longer uses Cypress Capital Group as a sub-advisor.

For more information about Cypress Trust Company, please see *Other Financial Industry Activities and Affiliations*.

Cypress Capital Group's, wholly owned subsidiary, Cypress Convertible Investors, L.L.C. is the General Partner of Cypress Investment Grade Convertible Bond Fund, L.P. (the "Fund"). The Fund is a private investment vehicle. The Fund's assets are held at Charles Schwab Institutional through a custodial agreement with Cypress Trust Company. The Fund's limited partners receive annual audited financial statements within 120 days from the end of the Fund's fiscal year or the Fund may receive a surprise audit. The audit is preformed by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (PCAOB).

Investment Discretion

Cypress Capital Group generally has discretionary authority to manage securities accounts on behalf of its clients. When a client gives us discretionary authority Cypress Capital Group does not need to obtain specific client consent before, among other things, buying or selling securities, determining which broker-dealer to use, and the commission rates to be paid to broker-dealers. However, generally the client's custodian is the preferred broker-dealer and their account commission rates are applicable to any trades.

Where Cypress Capital Group acts as a sub-advisor, some accounts may require approval of the advisor, a co-trustee or client prior to a trade. These accounts are considered non-discretionary.

Clients may place limitations upon this broad discretionary authority. The client and Cypress Capital Group will mutually agree, in writing, on an asset allocation designed in accordance with the client's need for income, investment objectives, and time-horizon for achieving objectives. Clients may communicate specific restrictions, confirmed in writing to their Portfolio Manager. For example, clients may restrict investments in certain types of companies or direct brokerage transactions to specific broker-dealers (see *Brokerage Practices*).

Voting Client Securities

The client decides in the advisory agreement whether Cypress Capital Group will vote client securities. Cypress Capital's Proxy Voting Policy is as follows:

General Philosophy: Proxies will be voted in an effort to enhance shareholder value.

Procedure: Proxies are voted in accordance with the Cypress Capital Group's Inc.'s Voting Policy. Generally, the Policy provides guidance for voting by subject matter of the vote. In certain circumstances where the subject matter of a vote may require further direction, the Proxy Committee will defer to the Portfolio Manager assigned to the security. The Portfolio Manager will provide direction as to how to vote, and the proxy shall be voted accordingly. Clients may request copies of Cypress Capital's Proxy Voting Policy upon written request.

Contact Information to Request a Copy

Cypress Capital Group, Inc.
218 Royal Palm Way
Palm Beach, FL 33480
Attn: Chief Compliance Officer

Client-Directed Voting: Clients may direct Cypress Capital Group on how to vote a particular proxy by contacting our chief compliance officer at the telephone number on the cover page of this brochure. Should a client, having given voting authority to Cypress Capital Group, wish to revoke that authority or affect a vote on a matter, the client must notify Cypress Capital Group in advance, in writing.

Proxy Voting Conflict of Interests: If Cypress Capital Group is aware that a client is directing a proxy vote that is in conflict with Cypress Capital Group's discretionary voting decision for other clients on the same security and proxy matter, Cypress Capital Group will inform the client of this conflict and reveal the number of shares being voted and how the conflicting matter(s) is (are) being voted. Only Cypress Capital Group's discretionary voting will be disclosed. Cypress Capital Group will not disclose how other client directed shares are being voted, whether in conflict or not, with an inquiring client's directed vote.

Cypress Capital Group will never over-ride a client directed proxy vote on the client's shares even if it is voting differently on the matter for its other clients.

Proxy Voting Documentation: Cypress Capital Group maintains a voting log and prints a summary report of proxy actions on a monthly basis. Clients may obtain a copy upon written request.

Contact Information to Request a Copy

Cypress Capital Group, Inc.
218 Royal Palm Way
Palm Beach, FL 33480
Attn: Chief Compliance Officer

Each client decides whether to authorize Cypress Capital Group to vote client securities on his/her behalf in the advisory agreement. Should the client elect to vote himself/herself Cypress Capital Group is not required to take any action or render any advice with respect to voting. The client will receive proxies and solicitations directly from their custodian.

Financial Information

Cypress Capital Group does not require prepayment of fees.

Cypress Capital Group does not have any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.

Additional Information

Thank you for your interest in Cypress Capital Group, Inc. For information regarding a convenient service location near you:

Main: 561-659-5889

Toll Free: 800-439-8745

www.cypresscapitalgroup.com