



February 17, 2012

Cross Border Planning Partners, LLC

Form ADV Part 2A  
Firm Brochure

## Summary of Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

At the time of this Firm Brochure, our firm does not have material changes to disclose.

This brochure provides information about the qualifications and business practices of Cross Border Planning Partners, LLC, (hereinafter “CBPP” or “Adviser”). If you have any questions about the contents of this brochure, please contact us at 602-955-5007 or [dalew@cbplanningpartners.com](mailto:dalew@cbplanningpartners.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. Registration of a Registered Investment Adviser (RIA) or Investment Advisor Representative (IAR) does not imply a certain level of skill or training.

Additional information about Adviser is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Cross Border Planning Partners, LLC is 153293.

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## Advisory Business

### Introduction- Who We Are

Cross Border Planning Partners is a registered investment adviser with the U.S. Securities and Exchange Commission. Cross Border Planning Partners is affiliated with its parent company and through partial ownership by Keats Connelly and Associates, LLC, known as KeatsConnelly, LLC, the firm's brand name, ("KeatsConnelly, LLC") also a registered investment adviser with the U.S. Securities and Exchange Commission. KeatsConnelly, LLC is also the parent company of Cross Border Tax & Accounting, LLC ("Cross Border Tax"), also a registered investment adviser with the U.S. Securities and Exchange Commission. Keats, Connelly and Associates, Inc. ("Keats Connelly,Inc.") is the majority owner of KeatsConnelly, LLC.

Cross Border Planning Partners is a "fee only" wealth management firm. Fee only means that we do not accept remuneration, in any form, other than the financial planning and family office fees we charge. Although Cross Border Planning Partners routinely recommends financial products as part of the planning process, no commissions or other forms of compensation are received by Cross Border Planning Partners. Cross Border Planning Partners primarily recommends the use of no load mutual funds and exchange traded funds ("ETFs"). Cross Border Planning Partners is neither a law firm nor a public accounting firm. We do not give legal advice. Any opinions we give as part of our review and analysis does not constitute legal advice. You will need to contact an attorney for such advice. Cross Border Planning Partners performs financial planning and will perform segmented work (i.e., only tax planning or investment planning) as appropriate and mutually agreed upon.

Cross Border Planning Partners is owned by Keats Connelly, LLC (50%) and Altro and Associates,LLP (50%). Altro and Associates is a law firm with its headquarters in Montreal, Quebec, Canada.

As a recently registered advisory firm, Cross Border Planning Partners currently has no client assets under management.

### Cross Border Planning Partners Mission Statement- Why We Exist

Our mission is to help individuals from the U.S. and Canada to determine and achieve their financial and life planning goals through a comprehensive financial planning process. Our role is that of an independent and trusted financial counselor, providing personalized service with uncompromising integrity.

### Our Vision Statement- What We Strive For

Our vision is to enrich the lives of our clients and to have a positive impact on our community, profession, and workplace. By achieving this vision, we will become the best financial planning firm in North America.

## Code of Conduct and Ethics

Cross Border Planning Partners has adopted a Code of Conduct and Ethics expressing the firm's commitment to ethical conduct. The CBPP Code of Conduct and Ethics establishes high standards of ethical conduct expected of advisory personnel and compliance with federal and state securities laws. The CBPP Code of Ethics stresses that no person employed by CBPP shall prefer his/her own interests to those of advisory clients and prohibits the misuse of material non-public information. To supervise compliance with its Code of Conduct and Ethics, CBPP requires that all employees provide securities holdings reports and quarterly transaction reports of all reportable transactions to the firm's Chief Compliance Officer. The CBPP Code of Ethics also provides for sanctions when appropriate.

Clients may obtain a copy of the firm's Code of Ethics upon written request by contacting CBPP.

- To maintain the highest standard of personal and professional integrity, honesty, and fortitude in all public activities so as to inspire and promote public confidence and trust.
- To ensure that undue personal gain is not made from the performance of official duties.
- To respect individual differences of race, sex, national origin, political affiliation, social status and personal characteristics, realizing that society is enriched and strengthened by its diversity.
- To be thorough and objective in assembling and presenting information and facts.
- To strive continuously to grow in knowledge and skill, be alert and receptive to the ideas and suggestions of colleagues, and contribute to the advancement of our profession.
- To assume responsibility for sharing knowledge with and contributing to the professional growth of our colleagues.
- To treat all of our clients and employees with integrity, respect and concern for their personal and professional lives, so that they are proud to be associated with CBPP.

## Wealth Management Services

### Wealth Management Services

Cross Border Planning Partners follows a process of determining whether and how an individual can meet life goals through the proper management of financial resources. Financial planning involves the delivery of all or a part of the financial planning process.

A comprehensive financial plan typically covers the review and analysis of following items:

- Current and projected net worth and cash flow statements
- Income taxes
- Risk management, which includes various insurance and asset protection strategies
- Retirement income and expenses
- Estate planning
- Investment portfolio
- Education planning

A client can engage Cross Border Planning Partners to address one or more, or all of these seven elements. All financial plans are put into writing.

Cross Border Planning Partners provides wealth management services in one of three ways:

- A one-time stand alone service where implementation is on your own.
- As part of a full service agreement where a number of services such as planning, investment management and tax preparation are wrapped together in one fee (retainer). The fee is set annually and paid quarterly, in advance.
- As part of our Family Office Services, described below. The fee is set annually and paid quarterly in advance.

## Private Client Services

Private Client Services are used by very wealthy families to deal efficiently with the great complexities and responsibilities of their wealth. These families are involved in multiple business and philanthropic ventures, which are often visible to the public. The Private Client concept was pioneered because of the need to efficiently address complex financial concerns involving control and succession, philanthropy, and the overall enhancement and distribution of assets for several generations.

Some of the benefits of engaging in Private Client Services are: (1) assure privacy and confidentiality, (2) custom tailored asset management strategies, (3) continuity through generations, (4) centralized management and record keeping, and (5) the integration of complex technical and professional disciplines to enable optimal outcomes.

## Services Included

Initial written financial plan (first year only):

Wealth Management team assigned by Cross Border Planning Partners and lead by a senior planner, staff planner and includes tax and investment professionals.

In general, the financial plan will address any or all of the following areas of concern at a minimum:

- Review of Tax and Cash Flow: Review of cash inflows and outflows, income tax and spending analysis and planning for past, current and future years. Cross Border Planning Partners will illustrate the impact of various investments on a client's current income tax and future tax liability.
- Personal and Insurance Review: Family records, budgeting, personal liability, estate information and financial goals.
- Estate Planning: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement Planning: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- Investment Planning: Analysis of investment alternatives and their effect on a client's portfolio.
  - Custom investment portfolio design and management:
  - On-going portfolio management services
  - Investment reports and updates distributed semi-annually, at a minimum
- Tax Planning, Preparation and Bookkeeping:
  - Preparation of personal income tax returns (prior year and amended returns are not included in this fee)
  - Track client/family net worth
  - Prepare checks for client signature every two weeks
  - Preparation of prior year personal income tax returns
  - Prepare income tax returns and perform bookkeeping and payroll services for various business entities, depending on client circumstances
  - Year-end tax planning

- Cross-Border Issues Addresses:
  - Immigration planning
  - Registered Retirement Savings Plan/Registered Retirement Income Fund analysis
  - Health insurance
  - Canadian Pension Plan/Old Age Security/Social Security

After key areas described above have been largely implemented, components (modules) of the financial plan will be reviewed and updated each year, as needed.

## Fees and Compensation

Wealth Management and Private Client Services retainer fees are fixed in advance for the first year, and adjusted annually thereafter, in order to remove the uncertainty of an open-ended and unexpectedly expensive process based on hourly billing. The factors considered in determining Private Client Service fees include:

- The time and effort required, the nature, number and complexity of the issues involved and services chosen by client to address, and the skill required to perform CBPP services;
- Involvement of other advisors relevant to any legal, technical and/or supporting documentation;
- Time constraints or assignments imposed by the client or the client's other advisors;
- The value we add;
- The nature and longevity of the professional relationship of CBPP with a client including the use of other advisory services;
- Any extra expenses, such as travel, preparing, organizing or collating client data; and
- Inflation adjustments in future years.

New clients agree to pay Wealth Management or Private Client fees in four equal payments (four payments per year). The first quarterly payment is due and payable upon execution of a client agreement. Regular quarterly billings will be paid three months in advance, starting with the second quarter. These payments can be made via a client authorized automatic brokerage account withdrawal, post-dated check, or pre-authorized credit card charge. The client's anniversary date will be on the 1st day of the month following the date the agreement was signed. After the first year of execution of an agreement, CBPP will impose a convenience fee of 2.5% for invoices paid by Visa, MasterCard or American Express.

The balance of any fees paid is considered advance payment for services to be rendered over a period not exceeding six months.



CBPP reserves and retains the right to change the Wealth Management or Private Client fee stated above if substantial changes or material differences between original disclosed information and actual resulting circumstances arise or for additional client requests.

This will be accomplished via a "Change Order." The Change Order will spell out what additional services are being requested and the additional price for those services.

The Change Order will be signed by both parties and attached to the original agreement.

In addition to the items listed above, the retainer fee will be adjusted each year, after the completion of the first two years, to reflect any changes to the client's circumstances, level of services provided by CBPP, and the costs and time to provide said services.

### Minimum Fees effective 1/1/2011 (US\$)

	Domestic	Cross-Border
<b>Wealth Management</b>		
First Year	\$15,000	\$25,000
Thereafter	\$8,000	\$12,000
<b>Private Client</b>		
First Year	\$30,000	\$75,000
Thereafter	\$20,000	\$30,000

### Special Project Hourly Rates (US\$)

Senior Planner:	\$300	to	\$750
Senior Tax Preparer:	\$200	to	\$360
Staff Planner:	\$150	to	\$275
Associate Planner:	\$100	to	\$150
Tax Preparer:	\$75	to	\$175
Bookkeeper:	\$60	to	\$85
Administrative & computer time:			\$55
Minimum Charge:	1/4 of an hour		

The per annum fee schedule for Investment Management Services is as follows:

0.80 % up to \$500,000

0.65 % on assets in excess of \$500,000, up to \$2,000,000

0.50 % on assets in excess of \$2,000,000, up to \$5,000,000

Over \$5,000,000 is negotiable

CBPP may incur various additional expenses while providing services to clients. Generally, such services are included in the annual retainer fee. However, CBPP reserves the right to bill clients separately for expenses incurred over and above the ordinary course of business such as expenses incurred for retaining attorneys and other outside professionals, performing unanticipated work as a result of influences outside the control of CBPP. CBPP will notify clients, if and when, such expenditures exceed US\$200 on a cumulative basis.

Clients are informed that finance charges of 1.5% per month will accrue on payable balances more than thirty (30) days in arrears. CBPP reserves the right to unilaterally change or waive finance charges depending on the general level of interest rates or a given client's circumstances. If a client account becomes more than sixty (60) days past due, CBPP reserves the right to cease all work on client's behalf until the account is paid in full (including finance charges), or other arrangements satisfactory to CBPP are made.

Upon the cessation of work, the client assumes full responsibility for any adverse consequences of such, including interest and penalties to tax authorities.

## General Information on Fees

### Negotiability of Fees

In certain limited circumstances, CBPP fees may be negotiable.

### Fee Calculation

The fee charged is calculated as described above and is not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Investment Advisers Act of 1940, as amended).

### Termination of Advisory Relationship

A client agreement may be terminated upon thirty (30) days notice at any time, for any reason, by either party giving written notice to the other. CBPP will refund any prepaid and unearned fees within sixty (60) days of the date of termination. Any termination during the first year of a Wealth Management or Private Client agreement will be subject to a minimum retainer fee equaling two quarters to account for a client relationship with CBPP, initial set-up and preparation of a client's financial plan. Notices are to be provided to each party at their last known address. After six months, we will pro-rate the quarterly fee based on date of notice, plus 30 days to provide an orderly termination of the relationship.

### Mutual Fund Fees and Expenses

All fees paid to CBPP for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's or ETF's prospectus.

These fees will generally include a management fee, other fund expenses, and a possible distribution fee for mutual funds. A client could invest in some, but not all, of the mutual funds or ETFs directly, without the services of CBPP.

In that case, the client would not receive the services provided by CBPP that are designed, among other things, to assist the client in determining which mutual fund, funds or ETFs are most appropriate to each client's financial condition and objectives.

### Other Fees and Expenses

Clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any commissions, custody fees, transaction charges or mark-up/mark-downs imposed by a broker-dealer with which Adviser effects transactions for a client's account(s). As a matter of firm policy and practice, our firm will not charge or earn advisory fees in excess of \$1,200 more than six months in advance of the services rendered.

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

CBPP, as a matter of firm policy and practice, does not charge any performance-based fees for its investment counseling services.

CBPP fees are calculated as described above and are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Investment Advisers Act of 1940, as amended).

Side-by-side management refers to multiple client relationships where an adviser manages advisory client relationships and portfolios on a simultaneous basis for individuals, businesses, institutions and also mutual funds and/or hedge funds.

In such circumstances, potential conflicts of interest may arise by and between the clients and the mutual and hedge funds, e.g., performance fee arrangements. We do not have these relationships, so we do not have side-by-side management potential or actual conflicts of interests.

CBPP, has not in the past and, currently does not manage any client relationships for mutual funds or hedge funds or charge any performance fees.

### Types of Clients

CBPP offers and provides investment advisory services to individuals, typically high net worth individuals, family offices, corporations and other business entities seeking the personalized investment advisory services CBPP offers.

## Methods of Analysis, Investment Strategies & Risk of Loss

### Methods of Analysis

CBPP selects and reviews funds for its portfolios using various quantitative and qualitative analyses which are based on several inputs such as, but not limited to, the following: a comparison of fees, returns, and universe coverage of funds; interviews with fund company representatives and portfolio managers; review of published research, fund reviews, and news; review of regulatory disclosures; investment committee discussions; and comparison of investment fund philosophy to the firm's investment beliefs.

As part of our methods of analysis, we may use some or all of the following:

- **Fundamental Analysis:**

Fundamental analysis involves the selection, evaluation, and interpretation of financial data and other pertinent information to assist in evaluating the operating performance and financial condition of a company or an industry. The operating performance of a company is a measure of how well a company has used its resources – its assets, both tangible and intangible – to produce a return on its investment. The financial condition of a company is a measure of its ability to satisfy its obligations, such as the payment of interest in a timely manner.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

- **Qualitative Analysis:**

As a part of our fundamental analysis, we subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

- **Quantitative Analysis:**

We may use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

## Asset Allocation

The purpose of the asset allocation is to diversify funds into asset classes (stocks, bonds, and liquid reserves) according to the client's risk profile and to hedge against uncertainty. Implicit in this approach is that the total portfolio is more important than the underlying securities.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

This risk can be, and is, minimized by periodic rebalancing the portfolio back to the agreed upon asset allocation.

## Risks for all Forms of Analysis

The markets are subject to the risks of the unforeseen, including political events, terrorist attacks, fraud, bubbles and panics—more generally, the uncertainty produced by the fact that the future is unknown. In addition, markets are unforgiving and can be perverse and irrational over the short or longer period. Absolute loss can also occur when a client panics and sells out of fear when the market experiences a significant downward movement, only waiting to reinvest when the market recovers. When experiencing market volatility, a client might not have the emotional strength or discipline to ride through the inherent volatility of the market.

Our securities analysis methods for the securities we recommend, purchase and sell, are assisted by but do not rely entirely upon the assumption that the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. Factored into our decision making process is the risk of fraud or that the reporting data may be incorrect, and thus there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## Investment Strategies

We also use the following strategies in managing client portfolios:

- Long-term Purchases:

We purchase securities with the idea of holding them in a client's portfolio for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this asset class or security.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term volatility that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

- Short-term purchases:

We rarely, but may purchase securities with the idea of selling them within a relatively short time (defined as less than one year).

A risk in a short-term purchase strategy is that, should the anticipated price increase does not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. Some investments may impose a short-term redemption fee if not held for the required minimum of time. Additionally, short-term holding periods (less than one year and a day) do not receive the more favorable long-term capital gains tax rate, currently at 15% federally.

- Margin transactions:

We will not recommend or utilize margin as part of our investment strategies, except at the client's unsolicited request.

- Option writing:

As a matter of policy and practice, we will not use options or option strategies as an investment strategy for our clients. CBPP may use options to protect concentrated stock positions for short periods of time. This use of options is more like an insurance policy than as a way of generating returns.

The risk of writing options on concentrated stock positions is that the stock price will remain steady or increase, making the option worthless.

### For all Strategies:

Investments in securities are not guaranteed, and clients may lose money on their investments.

We make significant efforts and inquiries to help us understand our client's tolerance for risk and any changes in their financial objectives and circumstances. We also request that clients notify us of any such changes promptly.

### Disciplinary Information

Our firm, its principals and associated persons have no disciplinary, regulatory or legal events that are require disclosure.

### Other Financial Industry Activities and Affiliations

#### Keats, Connelly and Associates, LLC

Keats, Connelly and Associates, LLC ("KeatsConnelly") is a subsidiary of Keats, Connelly and Associates, Inc., which is in turn owned by Robert F. Keats, and Dale A. Walters.

KeatsConnelly was formed and registered in January 2009 as a new advisory firm and to transition Keats, Connelly and Associates, Inc.'s advisory business to KeatsConnelly. The transition was completed in 2010, and Keats, Connelly and Associates, Inc. was de-registered as

a registered investment advisory firm with the SEC. Keats, Connelly and Associates, Inc. continues to exist as the parent company of KeatsConnelly as the majority and managing member.

Because Keats, Connelly and Associates, Inc. is the majority owner of KeatsConnelly, most of the profits earned will accrue to the principals of Keats, Connelly and Associates, Inc.

### Cross Border Tax & Accounting, LLC

Cross Border Tax & Accounting, LLC ("CBPP") is wholly owned by KeatsConnelly. In 2011, CBPP was de-registered as a registered investment advisory firm with the SEC and now only provides tax planning and tax preparation services for U.S. and Canadian residents or citizens. KeatsConnelly may refer prospective clients to CBPP. Likewise, CBPP may refer prospective clients to KeatsConnelly. No prospective client is obligated to retain either KeatsConnelly or CBPP and no referral fees are paid by either firm to the other for any client referrals.

Because KeatsConnelly owns CBPP, profits earned by CBPP will accrue to the benefit of KeatsConnelly and thus create a conflict of interest. However, clients of KeatsConnelly will be able to make separate determinations as to whether to use CBPP's tax planning and preparation services and may choose to use another service provider of their choice.

### National Advisor Holdings, Inc.

Principals of Keats, Connelly and Associates, Inc. (Robert Keats and Dale Walters) are shareholders of National Advisor Holdings, Inc. ("NAH"), a Delaware corporation organized in August of 1999. Such persons hold less than 1.0%, in the aggregate, of the outstanding stock of NAH. NAH has chartered an institution through the Office of Thrift Supervision known as National Advisers Trust Company ("NATC"). NATC provides trust services to clients of registered investment advisory firms, such as KeatsConnelly, across the United States. Robert F. Keats is a member of the NATC Board of Directors and Audit Committee.

Because principals of Robert Keats and Dale Walters have an interest in NAH, and therefore indirectly have an interest in NATC, a small amount of the fees earned by NATC will accrue to the benefit of the principals and thus create a conflict of interest.

However, clients of CBPP will be able to make their own determination as to whether to use trust services to be provided by NATC and may be able to choose to use another fiduciary and still retain CBPP to provide the investment advice to the client in the manner currently used.

CBPP may and does recommend NATC to certain clients for custody, trustee and brokerage when CBPP determines NATC's services may be appropriate for those clients.

### Additional Compensation

CBPP is a "fee only" wealth management firm. We do not accept remuneration, in any form, other than the Wealth Management and Private Client fees we charge.



Although CBPP routinely recommends financial products as part of the planning process, no commissions, referral fees or other forms of compensation are received by CBPP. CBPP primarily recommends the use of no-load mutual funds and exchange traded funds ("ETFs").

The officers and principals of CBPP, and as owners of its affiliated companies, devote substantially all their time and efforts to CBPP and the professional services provided by CBPP to our clients. These individuals do receive separate and distinct compensation in their capacities as officers, members and owners of the CBPP affiliated firms. The receipt of this additional compensation and their responsibilities to the CBPP affiliated firms does present a potential conflict of interest to the extent the affiliated firms' services may be recommended to CBPP clients. However, clients are under no obligation to engage the services of CBPP, or any of the affiliated firms, and are free to select any professional investment firm of their choice.

Clients should be aware that the receipt of any additional compensation by Adviser and its management persons creates a conflict of interest that may impair the objectivity of Adviser and these individuals when making advisory recommendations. Adviser endeavors at all times to put the interests of our clients first as part of its fiduciary duty as a registered investment adviser and takes the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for Adviser and management persons to earn compensation from advisory clients in addition to Adviser's advisory fees;
- We collect, maintain and document accurate and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Our management conducts regular reviews of each client portfolio to verify that all recommendations made to a client are appropriate for the client's needs and circumstances;
- We require that employees seek prior approval of any outside employment activity so that Adviser may ensure that any conflicts of interests in such activities are disclosed and properly addressed;
- We periodically monitor any outside employment activities to verify that any conflicts of interest continue to be properly addressed; and
- We educate our employees about the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

### **Participation in Client Transactions and Personal Trading**

CBPP or individuals associated with or employed by CBPP ("affiliates") may buy or sell securities identical to or different than those recommended to clients. CBPP or any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.



CBPP has also established the following procedures in order to ensure its fiduciary responsibilities: A member, officer or employee of CBPP shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment or the employment of any clients unless the information is also available to the investing public on reasonable inquiry. No person of CBPP shall prefer his or her own interest to that of any advisory client.

CBPP maintains records of securities holdings and transactions for itself, and anyone associated with the CBPP advisory practice. The compliance officer reviews these holdings and transactions on a regular basis.

CBPP emphasizes the unrestricted right of the client to select and choose any broker or dealer, custodian, accounting firm or other professionals a client wishes.

CBPP requires that all affiliated persons or employees act in accordance with all applicable Federal and State regulations governing registered investment advisory firms.

Any associated persons or employees not in observance of the above may be subject to termination.

## Brokerage Practices

CBPP typically has the discretionary authority to determine the broker-dealers to be used and the commission rates to be paid for advisory client transactions.

### Selection of Broker-Dealers

The factors involved in recommending and selecting brokerage relationships for effecting client brokerage transactions and custody services include, but are not limited to: relative trading costs, quality of executions, responsiveness, services and amenities available to brokerage clients, availability and reliability of client data transfer and reporting from the broker to CBPP, quality of services to existing CBPP clients, and quality of services to CBPP professional and administrative staff.

CBPP generally utilizes the following firms and for clients in need of brokerage and custodial services recommends Charles Schwab & Company, Fidelity, RBC Advisor Services or National Advisors Trust Company. As part of these programs, CBPP receives benefits that it would not receive if it did not offer investment advice.

### Direction of Brokerage

In addition, some clients, when undertaking an advisory relationship, already have a pre-established relationship with a broker and they will instruct CBPP to execute all transactions through that broker. Note, that not all brokers will allow us to execute transactions through them. In the event that a client directs CBPP to use a particular broker or dealer, it should be understood that under those circumstances, CBPP will not have authority to negotiate commissions, obtain

volume discounts, monitor holdings in the CBPP portfolio accounting system, and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

In addition, brokers or dealers that CBPP recommends or selects to execute transactions may from time to time refer clients to the Firm.

Our Firm will not make formal or informal commitments to any broker or dealer to compensate that broker or dealer through brokerage transactions for client referrals; however, a potential conflict of interest may arise between the client's interest in obtaining best price and execution and the interest CBPP has in receiving future referrals.

### Brokerage & Custody Expenses

For accounts where CBPP clients maintained in custody at Schwab, Fidelity or RBC, Schwab, Fidelity and RBC will not charge the client separately for custody but will receive compensation from CBPP clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab, Fidelity or RBC. Schwab, Fidelity and RBC will also receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab, Fidelity or RBC. Schwab, Fidelity and RBC's fees for trades executed at other broker-dealers are in addition to the other broker-dealers' fees.

CBPP acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab, Fidelity or RBC may be executed through a different broker-dealer than trades for other clients of CBPP. Thus, trades for accounts custodied at Schwab, Fidelity or RBC may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

For accounts where CBPP clients maintained in custody at National Advisors Trust Company ("NATC"), NATC will charge the client separately for custody (currently \$5 per month, but waived for accounts having \$100,000 in market value in standard assets) and will receive compensation from CBPP clients in the form of commissions or other transaction-related compensation on securities trades executed through NATC. NATC will also receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers used by NATC.

NATC's fees for trades executed at broker-dealers are in addition to the other broker-dealers' fees. CBPP acknowledges its duty to seek best execution of trades for client accounts.

Trades for client accounts held in custody at NATC may be executed through a different broker-dealer than trades for other clients of CBPP.

Thus, trades for accounts custodied at NATC may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

## Research and Soft Dollar Practices

CBPP, as a matter of firm policy and practice, does not and has not directed any client trades for any research, research-related products or services, or other direct or indirect compensation, from brokers under any formal or informal soft dollar arrangements.

## Aggregation of Orders

CBPP may manage advisory accounts on a non-discretionary basis, which require prior client approval before placing trades.

For those clients, transactions may not be able to be aggregated with other client trades and may also be placed after other clients' or associated person's trades because of delays in obtaining client approvals.

In view of this, non-discretionary client trades will be placed later and may not receive best execution and may receive higher or lower execution prices for trades than other clients.

## Allocation of Investment Opportunities

As a matter of policy, CBPP seeks to allocate investment opportunities and transactions on a fair and equitable basis for all clients over time and to not favor certain clients over others. In the unlikely event that limited investment opportunities or transactions would need to be allocated among advisory clients, our firm would allocate the investments or transactions fairly, equitably, and typically on a pro-rata basis. As a matter of investment policy and practice, CBPP does not seek or participate in initial public offerings.

## Review of Accounts

### Reviews of Client Portfolios

Clients receiving Wealth Management Services or Private Client Services described in the *Firm Brochure*, have their portfolio holdings reviewed on an ongoing and regular basis with formal reviews conducted at least quarterly. Re-balancing of asset class target percentages also may occur each fiscal quarter.

Accounts are also reviewed from an income tax standpoint at least annually. In addition to quarterly reviews, changes in client circumstances or substantial changes in the external investment environment will occasion additional reviews at the option of the client.

The CBPP investment professionals conducting client portfolio reviews are as follows; Robert F. Keats, President and Senior Planner, Dale A. Walters, Chief Executive Officer and Senior Planner, Sally A. Taylor, Director of Financial Planning and Senior Planner, Brad Flecke, Senior Planner, Jon Schade, Chief Operating Officer and Staff Planner, Virginia Dhondt, Staff Planner and Wealth Management Group Manager, John Rice, Senior Planner, Bryant Andrus, Staff

Planner and Business Development Associate, Santina Michel, Staff Planner, Peter Eickelberg, Senior Investment Officer, and Dale (Drew) Phillips, Portfolio Manager.

Planners are primarily responsible for advising on and monitoring the client's overall financial situation.

The CBPP Investment Committee is responsible for formulating investment guidelines for client portfolios and selecting investment vehicles for client accounts, while assisting in monitoring the external investment environment and monitoring client portfolios. Dale A. Walters and Peter Eickelberg supervise the investment professionals.

The CBPP Investment Committee meets monthly and is currently comprised of the following voting members: Robert Keats, Dale Walters, Sally Taylor, Peter Eickelberg and John Rice. Bryant Andrus, Jon Schade, Drew Phillips and Jennifer Sanders are non-voting members of the Committee. The officers of the Committee are Peter Eickelberg, Chair, Dale Walters, Vice Chair and Drew Phillips, Secretary.

In addition to client servicing, planners may also perform additional significant administrative, professional and research duties for CBPP.

Different individuals work concurrently on client relationships in most cases where the client is a Wealth Management or Private Client client who also utilizes the investment management services of CBPP.

The CBPP formal in-house review procedure for portfolio reviews combines firm investment guidelines with client goals and circumstances, as well as annual reviews for Investment Policy Statements. A Senior Planner reviews all Staff Planner work.

It is the intent of CBPP to review client financial plans on a bi-annual basis, upon client request or as agreed upon.

## Client Reporting

CBPP provides client written reports as to the status of each client's investment account on a quarterly basis. Such reports include a description of all investments held in the client's account and the market value of such investments as of the date of the report, summaries of deposits, withdrawals, realized and unrealized capital gains, investment income and dividends, and management fees paid. The report also provides time-weighted rates of return according to the Bank Administration Institute ("BAI") method for the portfolio. A calculation of fees is also sent along with the report. Generally, CBPP meets with clients at least annually and reviews a client's account, performance and Investment Policy Statement, and any changes in the financial goals of the client. If necessary, CBPP will revise the financial strategy of a client and obtain the approval of the client before implementation of such changes.

Monthly statements of accounts including holdings, values and other information are prepared and distributed by the broker-dealer, fund manager, investment sponsor, or custodian.

## Client Referrals

CBPP has firm practice and policy not to compensate any independent or third party individuals or entities for introducing any clients to CBPP for advisory services. CBPP may compensate CBPP officers or employees through increased compensation for introducing new clients to the firm. Any such compensation paid to a CBPP individual does not increase the advisory fees for CBPP services.

## Custody

CBPP is deemed to have “constructive custody” under relevant regulatory guidelines as a result of our Firm’s authority from certain clients for CBPP to directly debit client advisory fees from their custodian accounts consistent with industry practices and regulatory guidelines.

Clients will receive quarterly reports from CBPP and should carefully review each report to ensure that all account transactions, holdings and values are correct and current. We urge clients to compare our firm’s reports with the statements received directly from your independent brokerage or bank qualified custodian.

## Investment Discretion

For discretionary clients, CBPP requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold.

Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

## Voting Client Securities & Legal Proceedings

### Proxy Voting

CBPP maintains a written Proxy Policy & Procedures, which reflects the firm's duty to act as a fiduciary to vote proxies in the best interests of our clients. For ERISA plan clients, proxies are voted solely in the best interests of the plan participants and beneficiaries.

Certain clients have expressly retained proxy voting authority and in such instances, CBPP has no proxy voting responsibility and may not take any action regarding those clients' proxies.

In the event of any actual or potential conflicts of interests in the voting of any client proxy(ies), CBPP will make appropriate disclosures to clients and either request that the client vote the proxy(ies), abstain from voting or vote the client proxies, depending on the circumstances.

CBPP maintains relevant and appropriate proxy records as part of the firm's Proxy Policy & Procedures.

Our Proxy Policy & Procedures and information about the voting of a client's proxies, where CBPP has proxy voting responsibility, are available to a client upon written request.

### Legal Proceedings

Our firm may also assist clients with appropriate research or appropriate information to assist client with any filings for legal proceedings, e.g., class actions, reorganizations, bankruptcies, etc., relating to any portfolio securities.

### Financial Information

Neither CBPP nor its principals have any financial events or proceedings to disclose.

## Business Continuity Disclosure Statement

We always strive to provide the utmost care and security to our clients' personal information. As part of this objective, we have put together a plan to address the possible risk of a business interruption and the actions that will be taken due to such an event. Risk assessment ranges from the most likely (a simple temporary power outage for instance) to the uninhabitability of our office building (such as a fire).

The primary concerns with any of these events are the protection of our client data and the ability to access their funds. In this regard, should a business disruption occur, our clients' investments are always available through our custodians such as Fidelity Institutional, Schwab Institutional, and National Advisors Trust Company (NATC). However, critical money management functions need to be performed and the ongoing relationship with our clients must be maintained with very little or no interruption.

Our plan has been created with a view of continuing normal operations. The first level of security rests with the location of our central server system. Our system is hosted in a high security, data center. The data center is monitored 24/7, is climate controlled, has two levels of backup power and several redundant network connections to the outside network and is SAS 70 compliant. In addition, we perform nightly backups based on an industry-wide best practice using off-site tape storage.

Should our building become uninhabitable, all telephone calls would revert to our Florida office. Because of the design of our network, our employees are able to connect remotely to our network from their homes through private networking software. Our employees are thus able to access all software applications and perform virtually all the duties they normally perform while on the company premises. It is the policy of our firm to operate as a "paperless" office to the fullest extent possible. To that end, all client documents are scanned (then shredded or returned to client) into a document management system electronically so that documents are available on our secure network. This minimizes the risk of documents being destroyed in a fire or other disaster.

A copy of individual client contact information is stored with the senior officers of the company and should an interruption occur, clients will be contacted and informed as to the situation and when the systems will be restored.

Our plan is a continual process and as such, will be updated and communicated to our clients and employees as changes occur.

## Privacy Notice

Keats, Connelly and Associates, LLC (“KeatsConnelly”), and its partly-owned subsidiary, Cross Border Planning Partners (“CBPP”), strive to maintain your trust and confidence. We also understand that clients value their privacy, and our firms maintain physical, electronic, and procedural safeguards that comply with federal standards to protect our clients’ non-public personal information (“information”). Through this policy and our underlying procedures, KeatsConnelly and CBPP seek to secure the confidentiality of client records and information and protect against anticipated threats or hazards to the security or integrity of client records and information.

We have several affiliated financial firms, and as a matter of policy, we do not share personal client information among affiliates for marketing purposes. It is the policy of KeatsConnelly and CBPP to restrict access to all current and former clients’ information (i.e., information and records pertaining to personal background, investment objectives, financial situation, tax information/returns, investment holdings, account numbers, account balances, etc.) to those employees and affiliated/nonaffiliated entities who need to know that information in order to provide services to the client. KeatsConnelly and CBPP may disclose a client’s information if KeatsConnelly or CBPP is: (1) previously authorized to disclose the information to individuals and/or entities not affiliated with KeatsConnelly or CBPP, including, but not limited to the client’s other professional advisors and/or service providers (i.e., attorney, accountant, insurance agent, broker-dealer, investment adviser, account custodian, etc.); (2) required to do so by judicial or regulatory process; or (3) otherwise permitted to do so in accordance with the parameters of applicable federal and/or state privacy regulations. The disclosure of information contained in any document completed by the client for processing and/or transmittal by KeatsConnelly or CBPP in order to facilitate the commencement/continuation/termination of a business relationship between the client and a nonaffiliated third party service provider (i.e., broker-dealer, investment adviser, account custodian, insurance company, etc.), including information contained in any document completed and/or executed by a client for KeatsConnelly or CBPP (i.e., advisory agreement, client information form, etc.), shall be deemed as having been automatically authorized by the client with respect to the corresponding nonaffiliated third party service provider.

KeatsConnelly and CBPP permit only authorized employees and affiliates who have signed a copy of the KeatsConnelly/CBPP Privacy Policy to have access to client information. Employees violating the KeatsConnelly and CBPP Privacy Policy will be subject to disciplinary processes by KeatsConnelly or CBPP’s. Additionally, whenever KeatsConnelly or CBPP hire other organizations to provide services to KeatsConnelly or CBPP for clients, KeatsConnelly or CBPP will require them to sign confidentiality agreements and/or the Privacy Policy.

Should you have any questions regarding the above, or want to limit any sharing of your personal information, please contact Dale A. Walters, CEO and Chief Compliance Officer, of KeatsConnelly, at (602) 955-5007.