

**Part 2A of Form ADV: *Firm Brochure***

**Cross Financial Services, LLC**  
460 N. Morton St.  
Suite 112  
Franklin, Indiana 46131  
Telephone: 317-560-4045  
Email: [jeff.joyce@cross-financial.com](mailto:jeff.joyce@cross-financial.com)  
Web Address: [www.cross-financial.com](http://www.cross-financial.com)  
11/19/2012

This brochure provides information about the qualifications and business practices of Cross Financial Services. If you have any questions about the contents of this brochure, please contact us at 317-560-4045 or [jeff.joyce@cross-financial.com](mailto:jeff.joyce@cross-financial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Cross Financial Services also 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. Our firm's CRD number is 166248.

Although we are a registered investment advisor, registration does not imply a certain level of skill or training.

## **Item 3 Table of Contents Page**

|         |   |    |
|---------|---|----|
| Item 1  | Cover Page  | 1  |
| Item 3  | Table of Contents   | 2  |
| Item 4  | Advisory Business   | 3  |
| Item 5  | Fees and Compensation   | 5  |
| Item 6  | Performance-Based Fees and Side-By-Side Management                                    | 7  |
| Item 7  | Types of Clients  | 7  |
| Item 8  | Methods of Analysis, Investment Strategies and Risk of Loss                           | 8  |
| Item 9  | Disciplinary Information  | 10 |
| Item 10 | Other Financial Industry Activities and Affiliations                                  | 10 |
| Item 11 | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 10 |
| Item 12 | Brokerage Practices   | 11 |
| Item 13 | Review of Accounts  | 11 |
| Item 14 | Client Referrals and Other Compensation   | 12 |
| Item 15 | Custody   | 12 |
| Item 16 | Investment Discretion   | 12 |
| Item 17 | Voting Client Securities  | 13 |
| Item 18 | Financial Information   | 13 |

## Item 4 Advisory Business

Cross Financial Services, LLC is a SEC-registered investment adviser with its principal place of business located in Indiana. Cross Financial Services, LLC began conducting business in 2012.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

☐ Jeff Joyce, President

Cross Financial Services offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Cross Financial Services offers investment advisory services to its institutional clients. The Advisory service includes active management of client's investment portfolio. A quarterly Investment and Liquidity Review report is provided as part of our service. All security purchases under the Advisory service are supported with purchase documentation. We frequently analyze and discuss the client's balance sheet before making investment decisions. We gather detailed information about the investment portfolio, asset/liability profile, taxes, pledging, etc. before making advisory decisions. The securities are purchased and sold on competitive basis with at least two brokers. We do not receive any commissions on the purchases/sales of the securities.

Cross financial Services also offers investment advisory services to some of its individual and high net worth individual clients.

We manage advisory accounts on a non-discretionary basis. Account supervision is guided by the client's stated objectives as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following:

- ☐ United States governmental and agency securities
- ☐ Municipal securities
- ☐ Corporate debt securities (other than commercial paper)
- ☐ Mutual funds

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **INVESTMENT CONSULTING SERVICES**

Cross Financial Services also offers investment consulting services to some of its institutional clients. In this instance, the investment portfolio is managed by the client and transactions are executed by the client. We often gather detailed information about the investment portfolio, asset/liability profile, taxes, pledging, etc. before making any consulting decisions. A quarterly Investment and Liquidity Review report is provided as part of our service. The timing of the report may not correspond to a calendar quarter. We may recommend brokers to the client based on past good execution and product availability. Similarly, our investment consulting service is tailored to the specific objectives of each client and based on the composition of the balance sheet.

Cross financial Services also offers investment consulting services to some of its individual and high net worth individual clients.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- ☐ United States governmental and agency securities
- ☐ Municipal securities
- ☐ Corporate debt securities (other than commercial paper)
- ☐ Mutual funds

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **BALANCE SHEET MANAGEMENT CONSULTING SERVICES**

Cross Financial Services also provides balance sheet management services to some of its clients. These services include interpretation of asset liability data, policy review, advice on deposit benchmarking, loan mix, liquidity management, leverage strategies, hedging, and interest rate risk management. We hold discussions with management about the financial institution's balance sheet and strategic direction.

### **AMOUNT OF MANAGED ASSETS**

As of 11/19/2012, the most recent date practicable, we were not yet actively managing any clients' assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

Cross Financial Services has some clients with fees as a percentage of assets and some with flat fees. All investment advisory contracts can be terminated with a 30-day notice, and any part of the fee that is not earned by Cross Financial Services is not billed or is refunded to the client. Our annual fees for Investment Supervisory Services that are based upon a percentage of assets under management generally range from 0.03% to 0.70%.

**Limited Negotiability of Advisory Fees:** Cross Financial Services retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

**Fees Billed in Advance or Arrears:** Our advisory fees are charged in one of two ways as agreed upon with the client:

☐ *In advance:* Advisory fees are billed in advance at the beginning of each 3-month contract period.

☐ *In arrears:* Advisory fees are billed in arrears at the end of each 3-month contract period.

### **INVESTMENT CONSULTING SERVICES**

Cross Financial Services charges flat fees for investment consulting services. All investment consulting contracts can be terminated with a 30-day notice, and any part of the fee that is not earned by Cross Financial Services is not billed or is refunded to the client.

**Limited Negotiability of Advisory Fees:** Cross Financial Services retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

***Fees Billed in Advance or Arrears:*** Our advisory fees are charged in one of two ways as agreed upon with the client:

- ☐ *In advance:* Advisory fees are billed in advance at the beginning of each 3-month contract period.
- ☐ *In arrears:* Advisory fees are billed in arrears at the end of each 3-month contract period.

## **BALANCE SHEET MANAGEMENT CONSULTING SERVICES**

Cross Financial Services charges flat fees for balance sheet management consulting services. All balance sheet management consulting contracts can be terminated with a 30-day notice, and any part of the fee that is not earned by Cross Financial Services is not billed or is refunded to the client.

***Limited Negotiability of Advisory Fees:*** Cross Financial Services retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

***Fees Billed in Advance or Arrears:*** Our advisory fees are charged in one of two ways as agreed upon with the client:

- ☐ *In advance:* Advisory fees are billed in advance at the beginning of each 3-month contract period.
- ☐ *In arrears:* Advisory fees are billed in arrears at the end of each 3-month contract period.

## **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

***Mutual Fund Fees:*** All fees paid to Cross Financial Services for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's

prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to, thereby, evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s).

Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

## **OTHER COMPENSATION**

No other compensation arrangements exist.

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

Cross Financial Services does not charge performance-based fees.

## **Item 7 Types of Clients**

Cross Financial Services provides advisory services to the following types of clients:

- ☐ Banking and Thrift Institutions
- ☐ Credit Unions
- ☐ Government Agencies
- ☐ Individuals
- ☐ High net worth individuals

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

### METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

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 stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Quantitative Analysis.** We 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.

**Qualitative 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 is using qualitative analysis is that our subjective judgment may prove incorrect.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to



identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. 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.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption(s) that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- ☐ we believe the securities to be currently undervalued, and/or
- ☐ we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains 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.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then 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.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

***Risk of Loss.*** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Cross Financial Services and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Cross Financial Services' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [jeff.joyce@cross-financial.com](mailto:jeff.joyce@cross-financial.com), or by calling us at 317-560-4045.

## **Item 12 Brokerage Practices**

As a matter of policy and practice, Cross Financial Services does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

## **Item 13 Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are regularly monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Jeff Joyce, President, and Heidi Unruh, Accounting and Operations Specialist.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

### **INVESTMENT CONSULTING SERVICES**

**REVIEWS:** While the underlying securities within Investment Consulting Services accounts are regularly monitored, these accounts are reviewed quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Jeff Joyce, President, and Heidi Unruh, Accounting and Operations Specialist.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker-dealer, Cross Financial Services will provide quarterly reports summarizing account performance, balances and holdings.

### **BALANCE SHEET MANAGEMENT CONSULTING SERVICES**

**REVIEWS:** While the underlying securities within Balance Sheet Management Consulting

Services accounts are regularly monitored, these accounts are reviewed quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Jeff Joyce, President, and Heidi Unruh, Accounting and Operations Specialist.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker-dealer, Cross Financial Services will provide quarterly reports summarizing account performance, balances and holdings.

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

It is Cross Financial Services' policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Cross Financial Services' policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

### **OTHER COMPENSATION FROM NON-CLIENT**

No other forms of compensation from non-clients exist.

## **Item 15 Custody**

Our firm does not have actual or constructive custody of client accounts.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority may include the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

As previously disclosed in Item 4 of this brochure, our firm does not provide discretionary asset management services.

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

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

### **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Cross Financial Services has no additional financial circumstances to report.

Cross Financial Services has not been the subject of a bankruptcy petition at any time during the past ten years.