

**Cross Staff Investments, Inc.**

115 Sully's Trail, Suite 8  
Pittsford, NY 14534

Phone: (585) 249-1550

Fax: (585) 249-1554

[www.candaceshira.com](http://www.candaceshira.com)

**January 4, 2014**

**Form ADV Part 2A Brochure**

Cross Staff Investments, Inc., doing business as Candace Shira Associates, LLC, is a registered investment advisor registered with the United States Securities and Exchange Commission ("SEC"). A "registered investment advisor" means any entity which, for compensation, engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or which, for compensation and as a part of regular business, produces planning documents concerning individuals, or companies, overall financial health. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

**This brochure provides information about the qualifications and business practices of Cross Staff Investments, Inc. If you have any questions about the contents of this brochure, please contact us at (585) 249-1550 or through our website at [www.candaceshira.com](http://www.candaceshira.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 Staff Investments, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Material Changes – Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this Brochure which was dated March 4, 2013.

The Firm added Mr. Marvin Engle to its list of officers as the Firm's Chief Financial Officer in Item 1 of this brochure.

Item 4 of the brochure was amended to incorporate minor changes to the section as well as to update the discretionary and non-discretionary assets of the Firm.

The firm has updated its fee schedule effective January 4, 2014. The amended fee schedule can be found within Item 5 of this brochure.

Item 16 of the brochure was amended to clarify discretionary duties of the Advisor for Third-Party Money Managed accounts.

### **Table of Contents – Item 3**

#### **Contents**

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

#### **Advisory Business – Item 4**

- A. Cross Staff Investments, Inc. (“the Firm”) is a registered investment advisor based in Pittsford, NY. We are incorporated under the laws of the State of New York. The Firm has been incorporated since December 2012. Previous to Cross Staff Investments, Inc., we were Investment Advisor Representatives providing advisory services under other registered investment advisors since 2003.

Candace Shira is the sole owner and President of the Firm. Nancy Kay is the Chief Compliance Officer. Marvin Engle is the firm’s Chief Financial Officer. Together they are the officers and management persons of the Firm.

- B. The Firm offers the following services personalized to each individual client:
- a. Financial Planning
  - b. Investment Management

Our Financial Planning service involves general recommendations as to asset allocation or security selection of either a selected account, or across a client’s entire financial portfolio. The client determines what accounts and/or assets we will review and provide advice regarding. Some of the areas that we may focus on are cash flow, retirement, portfolio, estate, or education analysis, as well as budgeting reviews. The Firm may provide periodic investment review for accounts held outside of the Firm’s affiliation (i.e. 401K, 403B, etc.) if requested by the client.

The Firm may also be given discretionary authority for those accounts held at Charles Schwab for financial planning clients in order to provide more specific recommendations. The Firm will also be able to conduct trades deciding on security, amount, and whether to buy or sell.

Investment Management services are limited to publicly traded stocks, mutual funds and possibly exchange traded funds. Clients may hold all or only a portion of the securities listed here. The Firm may also utilize third party money managers to provide investment management services, which may include other investments than listed herein such as bonds and certificates of deposit. The advisor and client will determine which type of services will be utilized for management.

- C. The Firm tailors our advisory services to the individual needs of the clients. The client may at times impose investment restrictions on certain securities or types of securities. Those investment restrictions will be monitored by the advisor as well as by the Firm.
- D. Cross Staff Investments does not participate in a wrap fee program.

- E. Cross Staff Investments manages \$150,883,071 of assets on a discretionary basis and \$4,623,583 of assets on a non-discretionary basis.

### **Fees and Compensation – Item 5**

Cross Staff Investments, Inc. charges fees based on the type of service that is agreed upon by the client and advisor. Fees for all services may be negotiated by the Firm with the client. A client may also be responsible to assume trading charges, such as ticket charges, maintenance or other account fees as charged by the clearing firm or Third Party Money Manager. Internal mutual fund fees are also an expense that the client may bear.

Investment Management fees are based on the below schedule and charged quarterly in arrears. Only managed assets are included in the calculation of the fee. Item 12 discusses additional information regarding assets held in brokerage accounts.

#### **Managed Account Fee Schedule**

<u>Prior to January 4, 2014</u>		<u>Beginning January 4, 2014</u>	
\$0-\$500,000	0.85%	\$0-\$500,000	not to exceed 1%
\$500,000+	0.60%	\$500,001-+	75 basis points

For Financial Planning and ongoing investment monitoring, these services may be charged either a one time or ongoing fee, which may be assessed hourly or semi-annually in arrears. The hourly fee is currently \$300/hour. The ongoing charge is \$450/semi-annually. These fees may be negotiated based on the services the clients wish to engage in with the Firm, so they may be more or less than what is stated here.

Investment advice may also include a discussion of traditional insurance products, which may be offered by the advisors of the Firm. The advisors will receive a fee to sell the product, however the Firm does not charge a fee for investment advice regarding the product.

Should the Firm's advisors utilize mutual funds within the advisory portfolio, the fund company may pay a marketing fee under Section 12b-1 of the Investment Company regulations. If the Advisor does receive such fee, the total fee received, including the 12b-1 fee, may not exceed the stated maximum fee allowed by the Firm which is 2.5%. Currently, the Firm does not receive any Section 12b-1 fees for accounts that are maintained with Cross Staff Investments, Inc.

The Advisor and client may choose to utilize a Third Party Money Manager to invest the client's account. This relationship is agreed upon and acknowledged by the client, the Third Party Money Manager and the Advisor. The fees for such relationship will be based on the Third Party Money Manager's fee schedule and minimum investment requirement, if any. The client will be given the ADV Part 2A for the Firm and the Third Party Money Manager, as well as any applicable Part 2Bs for the Firm and Third Party Money Manager.

Advisors associated with the Firm may also be associated with a broker-dealer acting in the capacity of a registered representative. This allows the Advisor to conduct commission based business, which may include the sale and/or service of variable products, mutual funds and basic brokerage accounts. This compensation is separate from fees that are charged by the Firm for advisory services. Acting in this capacity creates a conflict of interest since the Advisor may have incentive to recommend investment products based on the compensation received, rather than on the client's needs.

These conflicts are addressed through the Advisor discussing the client's needs, objectives, financial condition and goals. Any additional conflicts are addressed throughout this brochure.

## **Performance Based Fees and Side by Side Management – Item 6**

Cross Staff Investments, Inc. does not accept performance-based fees.

## **Types of Clients – Item 7**

We offer investment advisory services as stated above to individuals, trusts, and estates. We have assisted corporations and other business entities in the past.

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

The Advisors of Cross Staff Investments, Inc. may utilize various methods to manage client assets. These methods are based on client's individual objectives, risk tolerances as well as their overall financial condition. The Advisors may use a third party money manager to assist in the management of the client's investments. The Firm uses traditional methods of researching specific investments, which may include mutual funds, individual publicly traded securities, or exchange traded funds. The Firm utilizes software and industry specific periodicals when researching securities for investing.

All investments come with the risk of losing money. Investing in individual securities may carry significantly more risk than a diversified mutual fund or exchange traded fund. Generally speaking investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for all individuals. Investments are not insured by the government to protect against market losses. Clients should be able to assume these types of risks. Different securities carry different types and degrees of risk and clients should familiarize themselves with the risks involved in the particular securities they intend to invest in.

## **Disciplinary Information – Item 9**

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to an individual's evaluation of the Firm or the integrity of our management. There is no history of legal or disciplinary events by the Firm, the management or advisors.

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

Advisors of Cross Staff Investments, Inc. are also registered representatives of Wall Street Financial Group, Inc. (WSFG), which is a licensed broker-dealer. As registered representatives of WSFG, the advisors can also sell securities to clients on a commission basis. The management person involved in this activity is Candace Shira, President and Nancy Kay, Chief Compliance Officer. Clients choose which method of relationship they wish to engage the Firm in. Ms. Shira utilizes the business name of Candace Shira Associates, LLC to conduct their commission based business. Cross Staff Investments, Inc. also utilizes the name Candace Shira Associates, LLC as a Doing Business As (DBA) name to conduct advisory services. The client is made aware under which capacity Ms. Shira is working under through the paperwork that is signed by the client along with the discussions that take place between Ms. Shira and the client. Candace Shira Associates LLC and Cross Staff Investments, Inc. are separate entities, however both are owned and operated by Ms. Shira.

Cross Staff Investments, Inc. has a custodial relationship with Charles Schwab and SEI. These relationships do not present a conflict of interest as a client's commission based brokerage assets are held at a different custodian than their advisory assets. The two types of accounts are not co-mingled.

Ms. Shira and Ms. Kay are also licensed insurance agent and can effect transactions in various insurance products such as, life, health, disability, long-term care, and annuities. Ms. Shira earns commissions for these activities. The Firm expects that advisory clients may also be insurance clients. Clients are

instructed that the fees paid to the Firm for advisory services are separate and distinct from the commissions earned by Ms. Shira for placing the client in an insurance product. Clients are not obligated to utilize Ms. Shira for their insurance services; they may use any insurance brokerage firm and agent of their choice.

These arrangements represent a potential conflict of interest due to the receipt of both advisory and commission compensation. Cross Staff Investments, Inc. has policies and procedures in place to monitor client transactions. Should Cross Staff Investments, Inc. find that an Advisor has not acted in the best interest of the client, Cross Staff Investments, Inc. may cancel the transaction. Alternatively, Cross Staff Investments, Inc. may deduct the commission costs from the advisory fee paid by the client. In any event, all client transaction costs will be disclosed to the client. Ms. Shira spends less than 5% of her time in her capacity as an insurance agent.

Cross Staff Investments, Inc. may recommend that clients use a third party money manager, with whom the Firm has established a selling agreement, as a part of our asset allocation and investment strategy. Cross Staff Investments, Inc. will share in the compensation received by the third party money manager for managing the client's account.

### **Code of Ethics – Item 11**

The Firm maintains Code of Ethics procedures which were created to supervise potential conflicts of interest between trades placed on behalf of a client account and Advisors of CSI's personal trading. The Code describes its high standard of business conduct and fiduciary duty to its clients.

The Code includes CSI's policies and procedures developed to protect client's interests in relation to the following topics: the duty to place the interest of the client first, requirement that personal securities transactions be conducted to be consistent with the code, responsibility to avoid any actual or potential conflict of interest or misuse of an advisor's position of trust, and the confidentiality of the client's information concerning the identity of the client's security holdings and financial circumstances.

In addition, the Code requires pre-clearance of Initial Public Offerings (IPO) and private placements, and restricts trading in close proximity to client trading activity. Trading conducted in an Advisor's account is monitored under the Code to reasonably prevent conflicts of interest between CSI, the Advisor and its clients.

Clients and prospective clients may request a copy of the Firm's Code of Ethics by contacting the Firm's Chief Compliance Officer at 585-249-1550.

### **Brokerage Practices – Item 12**

#### **Suggestion of a Broker**

Cross Staff Investments, Inc. has a custodial relationship with Charles Schwab. Advisors of Cross Staff Investments, Inc. will suggest Charles Schwab as the custodian for client assets. Clients however can enter into a continuous financial planning relationship with the Firm and utilize a custodian of their choice.

#### **Research and Other Soft Dollar Benefits**

The Firm does not engage in research or other soft dollar benefits.

#### **Brokerage for Client Referrals**

Cross Staff Investments, Inc. does not receive client referrals from any custodial relationship, nor does the Firm receive any other benefits from any custodian or broker-dealer in exchange for client referrals.

**Directed Brokerage**

Cross Staff Investments, Inc. has a custodial agreement with Charles Schwab. For clients who wish to custody their assets at another broker-dealer the Firm will provide financial planning services to the client. The client will be responsible to execute their own trades in their account based on the suggestions of the Firm. This may increase the client's brokerage expense as the client would not be included in an trade volume discount with the custodian.

**Review of Accounts – Item 13**

Cross Staff Investments, Inc. will monitor client's accounts on a periodic basis. The Firm will monitor the third party money managers to ensure their performance and investment style remains aligned with client's investment goals and objectives.

The Advisor of the account will conduct ongoing reviews of the client's portfolio holdings. Ms. Kay, the Firm's Chief Compliance Officer, will conduct random account reviews on a monthly basis to oversee the accounts. Ms. Shira and Ms. Kay will also review financial plans for investment objectives and other supervisory reviews as needed.

Clients will receive statements directly from the custodian(s) on at least a quarterly basis.

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

The Firm does not provide any compensation or gifts for client referrals.

**Custody – Item 15**

Cross Staff Investments, Inc. does not have custody of client's funds or securities. Clients will receive account statements at least quarterly from the custodian. Clients should review their statements for accuracy and contact their Advisor with any questions. The custodial statement is the official record of the client's account for tax purposes.

**Investment Discretion – Item 16**

For investment management accounts, the Firm is given discretion over the purchase and sale of securities held. The Firm will decide the type of security, the amount and whether to buy or sell. This privilege is given to the Firm by the client through the execution of the Advisory Agreement and/or paperwork from the custodian and/or the third party money managers. Clients who wish to place an investment restriction on the account must notify their Advisor.

For accounts held at third party money managers, the manager will have discretion over the account in regards to the individual securities held. The Firm may have discretion over the type of portfolio that is managed by the third party money manager. Again, this privilege is given by the client to the money manager and the Advisor through the third party manager's agreement. If the client wishes to place an investment restriction on the account, the client must notify the Advisor. The Advisor will notify the third party money manager.

Should a client wish to place an investment restriction on any account it may affect the performance or diversification of the account.

**Voting Client Securities – Item 17**

Cross Staff Investments, Inc. does not vote proxies for client securities. If a proxy is received at the office, it will be forwarded to the client for their review and voting.



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

We are required in this Item to provide you with certain financial information or disclosures about Cross Staff Investments, Inc.'s financial condition. The Firm does not require the prepayment of fees. Additionally, the Firm has no financial liability that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.