

## **Wrap Fee Program Brochure**

### **Form ADV 2A - Appendix 1**

#### **Item 1 - Cover Page**



Cypress Capital, LLC  
**CRD# 171266**

301 Seven Springs Way  
Suite 150  
Brentwood, Tennessee 37027

(615) 467-6075

**[www.cypresscapital.com](http://www.cypresscapital.com)**

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This brochure provides information about the qualifications and business practices of Cypress Capital, LLC. If you have any questions about the contents of this brochure, please contact us at (615) 467-6075 or **[info@cypresscapital.com](mailto:info@cypresscapital.com)**. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Cypress Capital, LLC is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Cypress Capital, LLC also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

#### **Item 2 - Material Changes**

This is the initial Wrap Brochure of Cypress Capital, LLC, and is prepared according to the SEC's requirements and rules. In the future, this Item will discuss only specific material changes that are made to the Wrap Brochure and will provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure. We will further provide you with a new Wrap Brochure as necessary based on changes, new information, or at your request, at any time, without charge.

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#### ***Item 4 - Services, Fees and Compensation***

##### **Firm Profile**

Cypress Capital, LLC (“Cypress Capital”) was formed in 2014, and provides financial planning, portfolio management, and general consulting services to its clients.

##### **Principal Owners**

Jeff Hays, Keith Hays, Mark Dodson and Michael Brooks are the principal owners of Cypress Capital. Please see ***Brochure Supplements***, Exhibit A, for more information on these principal owners and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

##### **Cypress Capital Advisory Services**

To the fullest extent possible, we will endeavor to tailor our advisory services to meet the specific needs of each and every client. In order to determine a suitable course of action for you, we will perform a review of your financial circumstances and other factors that may influence the investment recommendations we may make from time to time. Such review may include, but would not necessarily be limited to, investment objectives, consideration of your overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to your particular circumstances. In making investment recommendations on your behalf, we will rely on a data gathering document or other questionnaire, which would be completed based on information you provide.

To implement the client’s Investment Plan, Cypress Capital will manage the client’s investment portfolio on a discretionary basis. As a discretionary investment adviser, Cypress Capital will have the authority to supervise and direct the portfolio without prior consultation with the client. Form ADV Part 2A, which accompanies this Appendix, describes the investment strategies utilized by Cypress Capital.

Notwithstanding the foregoing, clients may impose certain written restrictions on Cypress Capital in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client’s investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client’s account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of Cypress Capital.

##### ***Cypress Capital Wrap Program***

Some clients have chosen to engage Cypress Capital through its wrap program (the “Cypress Capital Wrap Program” or the “Program”) in order to simplify the payment of management fees and brokerage expenses. This program is closed to new investors. However, current clients with open accounts in the Cypress Capital Wrap Program have the option to open additional accounts within the Program. The Program does not include any outside managers.

As the Sponsor and Sole Program Manager of the Cypress Capital Wrap Program, Cypress Capital has the following responsibilities:

- Coordinate and organize the wrap program.
- Determine the broker-dealer(s) that will be used in the wrap program.

- Determine the custodian(s) that will be used in the wrap program.
- Determine the overall fee structure for the wrap program.
- Provide the hands on management (discretionary) of a wrap client's program assets. Our services in connection with our wrap fee program will not differ materially from our discretionary ongoing asset management services with the exception of the wrap fee component. We may design, revise, and reallocate a custom investment portfolio for you. Investments are determined based upon factors such as your investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors.

### **General Wrap Fee Information**

Fees paid by clients to participate in the Cypress Capital Wrap Program generally include brokerage expenses (e.g., commissions, ticket charges, etc.) as well as the management fee paid to Cypress Capital. Under the all-inclusive billing alternative, Cypress Capital will assess one client fee that captures the management, brokerage and administrative portions collectively. The standard rate schedule is set forth below.

### **Fee Collection**

Portfolio management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated accordingly. For our direct advisory services described above, we receive our fees by automatic fee deduction via the custodian unless you otherwise request in writing to be invoiced quarterly. Regardless of the method you choose, you will be solely and directly responsible for all fees, including fees other than those related to the services we provide.

### **Termination and Proration of Fees**

As described above, our advisory fees are charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of your Agreement with us. The termination process is described in the Agreement. Upon receipt of a proper notice of termination, we will calculate a prorated refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorated refund will equal the total number of calendar days remaining in the billing period after the termination date to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper termination notice. In the event of a withdrawal of funds or the termination of an account, any fees, commissions (not charged or earned by Cypress Capital) or other expenses associated with rebalancing or liquidating the account's holdings may be assessed against your account. Specific fee arrangements will be described fully in your Agreement with us.

In the event of a withdrawal of funds or the termination of an account, any fees, commissions or other expenses associated with rebalancing or liquidating the account's holdings may be assessed to your account.

### **Wrap Program Fee Information**

Clients participating in the Wrap Program will generally pay the fees listed below, but do not separately pay brokerage expenses in the account(s) managed by Cypress Capital.

<u>Account Asset Value</u>	<u>Annual Fee Rate</u>
\$0 to \$249,999	2.00%
\$250,000 to \$499,999	1.75%
\$500,000 to \$999,999	1.50%
\$1,000,000 to \$1,999,999	1.25%

\$2,000,000 to \$4,999,999  
\$5,000,000 and up

1.00%  
Negotiable

The minimum portfolio value is generally set at \$500,000. Should the market value of your account fall below the stated minimum, as agreed to in your Agreement, because of withdrawals, distributions, or your request to transfer account assets, we will have the right to require that additional monies be deposited to bring the account value up to the required minimum, or terminate the account. In some circumstances, minimum account values may be negotiable.

Cypress Capital may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Cypress Capital deems it appropriate under the circumstances. Specific fee arrangements will be described fully in your Investment Management Agreement (“Agreement”) with us.

Fees paid to Cypress Capital are exclusive of and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund’s prospectus or offering materials). Clients will pay certain fees in addition to the fees of the Cypress Capital Wrap Program, as more fully described in the Brochure, Part 2A. Cypress Capital Wrap Program fees which Cypress Capital does not pay to third parties in connection with transaction and execution expenses are retained by Cypress Capital. Because of this, Cypress Capital may have a disincentive to trade securities in client accounts.

The client should review all fees charged by funds, Cypress Capital and others to fully understand the total amount of fees paid by the client for investment and financial-related services. Clients participating in the Cypress Capital Wrap Program may pay higher or lower fees than clients purchasing such services separately, depending on the cost of services if provided separately and the level of trading in a particular client’s account.

#### ***Item 5 - Account Requirements and Types of Clients***

Cypress Capital will generally provide our services to individuals, high net worth individuals, municipal or government entities, pension plans / profit sharing plans, foundations / charitable organizations, trusts and estates for natural persons, other investment advisers, banking or thrift institutions and broker-dealers.

The minimum wrap portfolio value is generally set at \$500,000. Should the market value of your account fall below the stated minimum, as agreed to in your Agreement, because of withdrawals, distributions, or your request to transfer account assets, we will have the right to require that additional monies be deposited to bring the account value up to the required minimum, or terminate the account. In some circumstances, minimum account values may be negotiable.

#### ***Item 6 - Portfolio Manager Selection and Evaluation***

The Cypress Capital Wrap Program was designed to simplify for clients the payment of management fees and brokerage expenses. The Program does not select advisers in addition to Cypress Capital, which is the only Portfolio Manager for the Program.

As we serve as the Program Manager for the Cypress Capital Wrap Program, this portion of the Wrap Brochure requires us to address certain information already covered in our Form ADV Part 2A. In an effort not to duplicate information disclosed elsewhere in our Form ADV and to limit the amount of information you need to review, please see Form ADV Part 2A for more information in the following areas: ***Item 4 - Advisory Business, Item 6 – Performance Based Fees and Side-By-Side Management***),

***Item 8 – Methods of Analysis, Investment Strategies and Risk of loss and Item 17 – Voting Client Securities.***

***Item 7 - Client Information Provided to Portfolio Managers***

Cypress Capital is the only portfolio manager under the Cypress Capital Wrap Program. No information is shared with any other portfolio manager.

***Item 8 - Client Contact with Portfolio Managers***

Cypress Capital is the only portfolio manager under the Cypress Capital Wrap Program. No restrictions are placed on client's ability to contact or consult with Cypress Capital.

***Item 9 - Additional Information***

Cypress Capital participates in the institutional advisor programs (the "Programs") offered by two brokerage firms. Clients may choose either TD Ameritrade Institutional, a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member, or Schwab Advisor Services, a division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients' assets. Together TD Ameritrade and Schwab are referred to as "the Custodians".

Both brokerage firms offer these Programs to independent investment advisers. The Programs include such services as custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from the Custodians through our participation in the Programs.

While there is no direct link between our participation in the Programs and the investment advice we give to Clients, through our participation in the Programs we receive economic benefits that are typically not available to retail investors of the Custodians. These benefits generally include, without limitation, the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Program participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. The Custodians may also pay for business consulting and professional services received by Cypress Capital's related persons. These services are not soft dollar arrangements, but are part of the institutional platform offered by the Custodians.

Some of the products and services made available by the Custodians through the Programs may benefit Cypress Capital but may not directly benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at the Custodians. Other services made available by the Custodians are intended to help us manage and further develop our business enterprise. The benefits received by Cypress Capital or our personnel through participation in the Programs do not depend on the amount of brokerage transactions directed to the Custodians. As part of our fiduciary duties to clients, we endeavor at all

times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by Cypress Capital or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of the Custodians for custody and brokerage services.

Neither Cypress Capital nor its Management Persons have any disciplinary disclosure required. Please see ADV Part 2A for more information in the following areas: ***Item 10 - Other Financial Industry Activities and Affiliations, Item 11 - Code of Ethics, Item 13 - Review of Accounts, Item 14 - Client Referrals and Other Compensation, and Item 18 - Financial Information.***