

KR FINANCIAL, LLC

600 Pretty Brook Road
Princeton, NJ 08054

A SEC Registered Advisory Firm¹

FIRM BROCHURE, MARCH 2016

This brochure provides information about the qualifications and business practices of KR Financial, LLC (“KR Financial”). If you have any questions about the content of this brochure, please contact us at 609-924-2500. 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 KR Financial s also available on the SEC’s website at www.adviserinfo.sec.gov

¹ SEC or State registration does not and should not imply any certain level of skill or training.

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MATERIAL CHANGES

There have been no material changes to KR Financial's advisory business since the filing of its 2015 ADV annual amendment.

ADVISORY BUSINESS

KR Financial was founded in 1998. It is wholly owned by Krieger Ruderman & Co, LLC and is presently managed by Richard Ruderman, President and Managing Member. Mr. Ruderman possesses more than 30 years of financial wealth management experience and is a CPA.

Investment Management Services:

The KR Financial provides investment supervisory services for clients, which include securities portfolio management, as well as any other investment supervisory services specifically agreed to by the KR Financial and client pursuant to an Investment Advisory Agreement (“*Advisory Agreement*”). The KR Financial assumes all investment duties with respect to its client accounts and has all investment powers, including sole investment authority.

KR Financial currently provides discretionary investment management services to approximately \$100,000,000.00 in assets under management.

Shared Family Office Services:

The KR Financial also provides advice on matters not involving portfolio management, including estate and income tax planning and consultation; personal business management and bill payment; asset allocation modeling and investment performance analysis; review and preparation of income tax returns and coordinating federal, state and local tax payments; preparation of budgets, income statements, balance sheets and related audit trail accounting services on a regular basis; coordination and strategic planning for charitable activities, including administration of charitable foundations; oversight of client assets, including real estate, insurance, equity portfolios and investment partnerships; providing representation as trustee or executor; providing representation as officers of charitable foundations and closely held businesses; supervision of brokerage transactions; management of debt and other banking activities; and provision of all other reasonable personal financial management services as requested

Other Terms & Conditions:

Prior to engaging KR Financial to provide any of the above services, the client will be required to enter into a formal *Advisory Agreement* with KR Financial setting forth the terms and conditions under which KR Financial shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Both KR Financial's *Advisory Agreement* and the custodial/clearing agreement authorize the custodian to debit the account for the amount of KR Financial's investment advisory fee and to directly remit that management fee to KR Financial. In the event that KR Financial bills the client directly, payment is due upon receipt of KR Financial's invoice. The *Advisory Agreement* between KR Financial and the client will continue in effect until terminated by either party. In the event the client terminates KR Financial's services, the balance of any unbilled fees, if any, shall be due and payable upon presentment of invoice.

FEES AND COMPENSATION

Investment Management Fees:

KR Financial's investment management fee schedule ("Advisory Fees") for accounts managed by KR Financial is based on a percentage of assets (generally net of any debit balances) and is set forth below. The Advisory Fees represent the highest fee that may be charged absent special circumstances:

<u>Account Assets</u>	<u>Annual Fee</u>
Under \$10,000,000	0.625%
\$10,000,000 - \$30,000,000	0.50%
\$30,000,001 - \$49,999,999	0.3750%
Over \$50,000,000	0.250%

Advisory clients who also use the Shared Family Office Services may receive a reduced fee on the KR Financial's investment supervisory services. KR Financial's Advisory Fees are prorated and paid quarterly, in arrears, based upon the average market value of the assets on the last business day of the quarter. KR Financial's actual fees may be negotiated and a client may pay more or less than similar clients depending on the particular circumstances of the client, which may include considerations related to size of the client's account, additional and/or differing levels of service or as negotiated. Clients that negotiate fees may end up paying a higher fee than that set forth in the fee schedules above as a result of fluctuations in the client's assets under management and/or account performance.

In addition to the investment management fee, the client may incur brokerage commissions, markups and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual securities transactions). In addition, the client will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Shared Family Office Fees:

The KR Financial charges a fixed fee for the Shared Family Office Services payable in arrears. The fee may be charged as frequently as monthly and is negotiable depending on the nature and extent of the Shared Family Office Services provided, as well as the complexity of the client's specific situation. The fee charged for the Shared Family Office Services is set forth in the Advisory Agreement.

PERFORMANCE-BASED FEES and SIDE-BY-SIDE MANAGEMENT

KR Financial does not charge performance based fees.

TYPES OF CLIENTS

KR Financial provides investment advisory services to the following clients:

- High Net Worth Individuals & Families;
- Trusts, Estates, Charitable Organizations;
- Corporations
- Pension Plans & 401(k)

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Prior to the implementation of any investment transaction, KR Financial conducts a thorough review and analysis of the proposed investment's financials. Such analysis includes a review of balance sheets, income statements and cash flows to determine its credit and market risk to the client. Once reviewed, KR Financial compares this with a review of the client's investment objectives, liquidity and income needs and time horizon. Only after completion of this analysis will KR Financial implement an investment transaction on behalf of a client.

KR Financial does not guarantee the future performance of any account or any specific level of performance, the success of any investment decision or strategy that KR Financial may use, or the success of KR Financial's overall investment management. All investment decisions are subject to various market, currency, economic, political, and business risk, and those investment decisions will not always be profitable. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify KR Financial if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising KR Financial's previous recommendations and/or services.

DISCIPLINARY INFORMATION

KR Financial and its personnel **have not been** convicted, pled guilty or nolo contendere ("no contest"), been named, charged or been the subject of any order or judgment by any court of competent jurisdictions, SEC or any Self Regulatory Organization (e.g., FINRA) for the any of the following offenses:

- investments or investment related business;
- fraud, false statements or omissions;
- violation of any investment related statute or regulation or SRO rules;
- wrongful taking of property, bribery, perjury, forgery, counterfeiting;
- extortion or conspiracy to commit any of these offenses.

In addition, KR Financial and its personnel **are not** the subject of any pending matters in connection with any of the above-identified offenses.

OTHER FINANCIAL INDUSTRY AFFILIATIONS

KR Financial and KR Securities, LLC ("KRS"), a broker-dealer registered under the Securities and Exchange Act of 1934, as amended, are wholly owned subsidiaries of Krieger, Ruderman, & Co., LLC. KRS acts as a broker or a dealer in connection with executing securities transactions for KR Financial's client accounts. When acting as broker-dealer for KR Financial's client accounts, KRS receives brokerage commissions, mark-ups or mark-downs. Prior to execution, clients receive pricing information about each securities transaction and must consent before any transaction will be executed.

KR Financial or KRS may act as principal, either buying securities for itself from KR Financial's clients or selling securities it owns to KR Financial's clients. Before engaging in any principal transaction with its clients, KR Financial: (i) discloses to the client in writing the capacity in which the KR Financial is acting and the price at which the transaction will be executed; and (ii) obtains the consent of the client before the completion of the transaction.

When KRS acts as principal to effect securities transactions for compensation for KR Financial's client accounts, the client individually consents to each transaction. This practice ensures that the client approves of KRS's execution practices.

CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

KR Financial or related persons may own an interest in, or buy and sell for their own account, the same securities that may also be held, purchased or sold in client accounts. In all cases, clients' orders are given priority. In no case shall the KR Financial or associated person receive a better price or more favorable circumstance than a client. In some cases, the KR Financial may buy or sell a specific security for their own account, which the KR Financial does not consider appropriate for client accounts.

KR Financial has implemented an investment policy relative to personal securities transactions. This investment policy is part of KR Financial's overall Code of Ethics which serves to establish a standard of business conduct for all of KR Financial's Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisors Act of 1940, KR Financial also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by KR Financial or any person associated with KR Financial.

KR Financial has adopted procedures to implement the firm's policy on personal securities transactions and reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate.

BROKERAGE PRACTICES

1. Research and Other Soft Dollar Benefits:

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, KR Financial may receive from a broker-dealer/custodian (or a mutual fund company), without cost (and/or at a discount) support services and/or products, certain of which assist KR Financial to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the KR Financial may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by KR Financial in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received assist KR Financial in managing and administering client accounts. Others do not directly provide such assistance, but rather assist KR Financial to manage and further develop its business enterprise.

KR Financial's clients do not pay more for investment transactions effected and/or assets maintained at a particular broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by KR Financial to any particular broker-dealer/custodian or to any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. Brokerage for Client Referrals:

KR Financial does not receive client referrals from any broker-dealer custodian.

3. Directed Brokerage:

The client may direct KR Financial to use a particular broker-dealer (subject to KR Financial's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and KR Financial will be unable to seek better execution services or prices from other broker-dealers or be able to "bunch" the client's transactions with orders for other client's accounts managed by KR Financial. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

KR Financial seeks to execute orders for its clients fairly and equitably. KR Financial follows written procedures pursuant to which it may, and to the extent consistent with Best Execution, combine purchase or sale orders for the same security for multiple clients (sometimes called "***bunching***") so that they can be executed at the same time. The procedures for bunching trades may differ depending on the particular strategy or type of investment. KR Financial is not required to bunch or aggregate orders if it determines that bunching or aggregating is not practical.

When client orders are bunched by KR Financial, the order will be placed with the broker-dealer custodian for execution. When a bunched order is completely filled, KR Financial generally will allocate the securities purchased or proceeds of sale among participating accounts based on the purchase or sale order. Adjustments or changes may be made by KR Financial under certain circumstances, such as to avoid odd lots or excessively small allocations. If the bunched order is filled at different prices, through multiple trades, generally all such participating accounts will receive the average price. When a bunched order is partially filled, KR Financial's procedures provide that the securities are to be allocated in a manner deemed fair and equitable to clients. Securities must be allocated proportionately based upon the relative size of the particular client's pre-trade designation.

REVIEW OF ACCOUNTS

Account reviews are conducted on an ongoing basis by KR Financial's Chief Compliance Officer, Alan Gilmore. Mr. Gilmore reviews client's accounts to ensure that all investment activity is consistent with the Client's objectives and also with the fiduciary standards set forth by federal and state regulations. Clients are advised to inform KR Financial of any changes to their investment objectives, needs and goals.

CLIENT REFERRALS AND OTHER COMPENSATION

KR Financial does not have any contractual engagement with any solicitors or pay any compensation for the receipt of client referrals.

CUSTODY

The Agreement with the broker-dealer custodian ("Custodian") authorizes KR Financial through the Custodian to debit the client's account for the amount of KR Financial's annual management fee and remit same to KR Financial in accordance with applicable custody rules. The Custodian used in conjunction with KR Financial's services sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account, including the amount of annual management fees paid directly to KR Financial. In addition, KR Financial provides a quarterly report summarizing account activity and positions. Clients are encouraged to carefully review and compare the statements sent by the Custodian to those they receive from KR Financial.

KR Financial does not maintain physical custody of client assets. Client assets are custodied with nationally recognized, SEC registered and FINRA member Custodians as well as a federally chartered National Bank Trust Department. KR Financial is deemed to have custody of client funds because it has the ability to authorize the Custodian to debit its annual management fee but otherwise has no ability to access client funds. In very limited circumstances, KR Financial's principal serves as trustee to a client account. In this circumstance, KR Financial is deemed to have custody of client assets. As a result, KR Financial has fully complied with the Custody Rule requirements, which include engaging a PCAOB accounting firm to conduct a "surprise" audit.

INVESTMENT DISCRETION

For those clients for whom KR Financial provides portfolio management services, KR Financial is generally given the authority to exercise discretion on behalf of those clients in managing their portfolios. KR Financial is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. KR Financial is given this authority through a limited power-of-attorney included in the Agreement and in the client's agreement with the Financial Institution(s). Clients may request a limitation on this authority subject to KR Financial's acceptance of such a request.

VOTING CLIENT SECURITIES

KR Financial does not vote client proxies. KR Financial's 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. KR Financial and the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

With respect to shareholder class action litigation and similar matters, KR Financial generally will not make any filings in connection with any shareholder class action lawsuits involving securities currently or previously held in clients' accounts. KR Financial recommends that its clients promptly review these materials, as they identify important deadlines and may require action in the client's part. KR Financial will not be required to notify third party custodians or clients who utilize third party custodians of shareholder class action lawsuits and similar matters.

FINANCIAL INFORMATION

Based upon KR Financial's business practices, use of a qualified custodian and advisory fee procedures, the SEC does not require the disclosure of financial information. Please be advised that there are no known financial conditions that would impair KR Financial's ability to meet contractual commitments to clients.

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