

# Covered Bridge Advisors, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Covered Bridge Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (215) 579-5760 or by email at: [gluciani@cbridgeadvisors.com](mailto:gluciani@cbridgeadvisors.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 Covered Bridge Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Covered Bridge Advisors, LLC's CRD number is: 291598.*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

Covered Bridge Advisors, LLC has not yet filed an annual updating amendment using the Form ADV Part 2A and has the following material changes to report.

- Covered Bridge Advisors, LLC now uses a solicitor (Item 14).

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Covered Bridge Advisors, LLC (hereinafter “CBA”) is a Limited Liability Company organized in the State of Pennsylvania. The firm was formed in December 2017, and the principal owner is George Nicholas Luciani.

### B. Types of Advisory Services

#### *Portfolio Management Services*

CBA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. CBA creates an Investment Risk Profile for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

CBA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Except where noted in writing (Non-Discretionary accounts), CBA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Risk Profile, which is given to each client.

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. Clients should notify their Financial Advisor if there are any changes to their financial situation or their financial objectives or if they wish to impose restrictions on our management services.

We may implement our investment decisions through one or more model portfolios that we construct.

CBA seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of CBA’s economic, investment or other financial interests. To meet its fiduciary obligations, CBA attempts to avoid, among other things, investment or trading practices that systematically advantage or

disadvantage certain client portfolios, and accordingly, CBA's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is CBA's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

CBA may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, CBA will always ensure those other advisers are properly licensed or registered as an investment adviser. CBA conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. CBA then makes investments with a third-party investment adviser by referring the client to the third-party adviser. These investments may be allocated either through the third-party adviser's fund or through a separately managed account managed by such third party adviser on behalf of CBA's client. CBA may also allocate among one or more private equity funds or private equity fund advisers. CBA will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

### ***Financial Planning***

We provide financial planning services. Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; cash flow analysis; and debt/credit planning. Formal financial planning is done at clients' discretion.

### ***Services Limited to Specific Types of Investments***

CBA generally limits its investment advice to exchange traded funds (ETFs), mutual funds, fixed income securities, real estate funds (including REITs), equities both domestic and International, Treasury inflation linked bonds, commodities, ;but also hedge funds, private equity funds, venture capital funds and private placements.

## **C. Client Tailored Services and Client Imposed Restrictions**

CBA will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by CBA on behalf of the client. CBA may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

## D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. CBA does not participate in any wrap fee programs.

## E. Assets Under Management

CBA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
122,000,000	5,000,000	January 23, 2018

# Item 5: Fees and Compensation

## A. Fee Schedule

### *Portfolio Management Fees*

Total Assets Under Management	Annual Fees
\$0 – 1,000,000	1.00%
\$1,000,001 – 2,000,000	0.50%
\$2,000,001 – And Up	0.25%

**Fees are paid in advance:** The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period. If a client deposits \$100k or more mid-quarter, they will be billed pro-rata on that amount. If a client withdraws \$100k or more mid-quarter, they will be refunded pro-rata.

The final fee schedule is attached as Exhibit I of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of CBA's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 3 days' written notice. Remainder of advanced fees will be pro-rated to the end of the calendar quarter.

### *Selection of Other Advisers Fees*

CBA will receive its standard fee separate from the fee paid to the third-party adviser. This relationship will be memorialized in each separate contract between client and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency. Specifically, CBA may direct clients to Dorsey Wright Associates, among others. The CBA

Quantitative Growth strategy charges a separate fee not included in the CBA standard fee in order to pay the manager of that strategy who is not an employee of CBA.

### ***Financial Planning Fees***

#### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$500 and \$10,000.

#### **Hourly Fees**

The negotiated hourly fee for these services is \$200.

Clients may terminate the agreement without penalty, for full refund of CBA's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

### **B. Payment of Fees**

#### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

#### ***Payment of Selection of Other Advisers Fees***

Fees for selection of Dorsey Wright Associates as third-party adviser may be invoiced and billed directly to the client. Fees are paid quarterly in advance.

#### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check.

Fixed financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

Hourly financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CBA. Please see Item 12 of this brochure regarding broker-dealer/custodian.



## **D. Prepayment of Fees**

CBA collects fees in advance, as indicated above. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither CBA nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

CBA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

CBA generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

Account minimum for any of CBA's portfolio management services is \$250,000.

## Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

CBA's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Quantitative and Technical analysis.

**Charting (Trend) analysis** involves the use of price patterns that plot trends over time. CBA uses this technique to help analyze favorable trends for buying and/or selling a security.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Quantitative and Technical analysis** deals with measurable factors of supply and demand that provide price levels of support and resistance. These factors provide a process that may limit downside losses while providing upside gains when applicable according to market conditions.

#### *Investment Strategies*

CBA may at times use short, intermediate and long-term trading. Also, depending upon market conditions or client objectives: short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

**Investing in securities can at times involve a loss of principal, and clients should be prepared to bear the loss of the amounts they have invested. There can be no guarantee as to the investment performance and the success of any individual security or an investment strategy, and the value of the clients account with us will fluctuate due to market conditions, risks, and other factors. Past performance is no guarantee of future results.**

### B. Material Risks Involved

#### *Methods of Analysis*

**Charting (Trend) analysis:** Charles Dow originated Point and Figure(PnF) analysis in 1896; used primarily to chart security price movement in measurable increments, not time. Regardless of the number of days, weeks, or months, a price point only changes when the

price moves up or down. This changes the emphasis of price over time to pure price momentum. Time is no longer relevant. PnF analysis is a process that isolates trend breakouts and trend breakdowns. PnF analysis has both offensive and defensive characteristics. It does not attempt to predict but to follow price movement.

Traditional charting is also used to identify support levels for downside security protection and upside resistance levels for trend breakouts. Traditional charting indicators are used such as simple and exponential moving averages, volume, relative strength, momentum, and price channels. Probability analysis using standard deviation and Fibonacci retracement methods are also utilized.

**Quantitative Analysis:** A mathematical solution using a programmed momentum rules based discipline. Models are created from a filtered universe of inexpensive exchange traded funds (ETFs) which may be rebalanced or reallocated monthly, depending upon changes in the ETFs respective momentum strength rankings.

### *Investment Strategies*

**Long-term purchases (securities held longer than one year)** are designed to capture market returns depending on the clients' risk tolerance. Due to its nature, a long-term investment strategy may expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk. For clients taking periodic withdrawals, sequence risk can affect long-term performance, especially in periods of market downtrends.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Selection of Other Advisers:** Although CBA will seek to select only money managers who will invest clients' assets with the highest level of integrity, CBA's selection process cannot ensure that money managers will perform as desired and CBA will have no control over the day-to-day operations of any of its selected money managers. CBA would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

**Short Sales:** Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

In periods of economic stress like 2008, CBA's may use ETFs that mirror the VIX Short-Term Futures Index, margin transactions and options trading to protect from downside risk. These securities generally hold greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased transaction costs and taxes. CBA's analysis does not depend upon short-term trends except in periods of economic stress.

**Investing in securities involves a risk of principal loss.**

### **C. Risks of Specific Securities Utilized**

CBA's use of short sales, margin transactions, and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds.** All mutual funds have expense costs that lower investment returns. The funds can purchase securities in the major asset classes: stocks, bonds (lower risk), real estate, commodities or cash.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of

transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do. CBA does not recommend Index or Variable annuities to clients.

**Hedge funds** often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private equity** funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither CBA nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither CBA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

At the time of registration, George Nicholas Luciani is also an investment adviser representative with another investment advisory firm, Hanlon Investment Management, and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. CBA always acts in the best interest of the client and clients are in no way required to use the services of any representative of CBA in connection with such individual's activities outside of CBA.

George Nicholas Luciani is a licensed insurance agent with Lincoln Financial, and from time to time, may offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. CBA always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of CBA in connection with such individual's activities outside of CBA.

Marc Andrew Luciani is a licensed insurance agent with Lincoln Financial, and from time to time, may offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. CBA always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of CBA in connection with such individual's activities outside of CBA.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

CBA may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Clients will pay CBA its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between CBA and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. CBA will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. CBA will ensure that all recommended advisers are licensed or notice filed in the states in which CBA is recommending them to clients.

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

#### **A. Code of Ethics**

CBA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. CBA's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

CBA does not recommend that clients buy or sell any security in which a related person to CBA or CBA has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of CBA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of CBA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. CBA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.



## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of CBA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of CBA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, CBA will never engage in trading that operates to the client's disadvantage if representatives of CBA buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on CBA's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and CBA may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in CBA's research efforts. CBA will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

CBA will recommend clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc.

#### ***1. Research and Other Soft-Dollar Benefits***

While CBA has no formal soft dollars program in which soft dollars are used to pay for third party services, CBA may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). CBA may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and CBA does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. CBA benefits by not having to produce or pay for the research, products or services, and CBA will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that CBA's acceptance of soft dollar benefits may result in higher commissions charged to the client. CBA does not receive commissions on the sale or purchase of any security.

## ***2. Brokerage for Client Referrals***

CBA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

CBA will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If CBA buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, CBA would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. CBA would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for CBA's advisory services provided on an ongoing basis are reviewed at least Quarterly by George N Luciani, President, and Marc A. Luciani, Vice President, with regard to clients' respective investment policies and risk tolerance levels. All accounts at CBA are assigned to these reviewers.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by George N Luciani, President and Marc A. Luciani, Vice President. Financial planning-only clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Existing advisory clients are not charged a fee for annual updates of their existing financial plan.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans of financial planning-only clients, CBA's services will generally conclude upon delivery of the financial plan.

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of CBA's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. CBA will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

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

## **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

CBA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CBA's clients.

With respect to Schwab, CBA receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For CBA client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to CBA other products and services that benefit CBA but may not benefit its clients' accounts. These benefits may include national, regional or CBA specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of

CBA by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist CBA in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of CBA's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of CBA's accounts. Schwab Advisor Services also makes available to CBA other services intended to help CBA manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to CBA by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to CBA. CBA is independently owned and operated and not affiliated with Schwab.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

CBA, via written arrangement, retains a third parties to act as solicitors for CBA's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. CBA will ensure each solicitor is properly registered in all appropriate jurisdictions.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, CBA will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

CBA provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, CBA generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, CBA's discretionary authority

in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to CBA.

### **Item 17: Voting Client Securities (Proxy Voting)**

CBA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

CBA neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither CBA nor its management has any financial condition that is likely to reasonably impair CBA's ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

CBA has not been the subject of a bankruptcy petition in the last ten years.