

**Item 1: Cover Page**

**CROSSPOINT CAPITAL STRATEGIES, LLC**  
**Part 2A of Form ADV: Firm Brochure**

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This Brochure provides information about the qualifications and business practices of Crosspoint Capital Strategies, LLC (“Crosspoint Capital Strategies” or “the Firm”). If you have any questions about the contents of this Brochure, please contact us at the above listed telephone numbers. The information included in firm Brochure has not been approved or verified by the SEC or any state securities authority.

Additional information about Crosspoint Capital Strategies is also available on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). The Firm’s IARD# is 150212.

Any reference to Crosspoint Capital Strategies being a “Registered Investment Advisor” simply means that the firm is registered as an investment advisor and does not imply a certain level of skill or training.

The brochure is dated April 26, 2019.

## **2: Material Changes**

The previous annual update was dated March 31, 2018. On February 5, 2018, ‘Crosspoint Capital Management, LLC’ purchased the Investment Advisor ‘Sanctuary Wealth Advisors, LLC’ from ‘Sanctuary Wealth Services, LLC’. Tony Cantando is the Principal Owner & CEO of ‘Crosspoint Capital Management, LLC’. The Investment Advisor had its legal name changed to ‘Crosspoint Capital Strategies, LLC’ on May 11, 2018; ‘Crosspoint Capital Management, LLC’ is the Investment Advisor’s sole owner & member. Michael Kress, a previous Investment Advisor Representative for ‘Crosspoint Capital Strategies, LLC’, has left the firm. Mr. Kress’ departure is the sole cause of the firm’s reduction in assets under management in 2018.

The firm was previously registered with the SEC from March 8th, 2010 - June 6th, 2011, before transitioning to being registered with the state of California from June 21, 2011 - October 2, 2012. The firm re-registered with the SEC on September 25, 2012, and maintains its registration with the SEC until it transitions back to the state of California in 2019.

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#### **4: Advisory Business**

##### **A. Description of the Advisory Firm and Its Principal Owners**

Crosspoint Capital Strategies LLC is owned by Crosspoint Capital Management LLC, a holding company. Crosspoint Capital Management LLC is 100% owned by Anthony Cantando, who is the Chief Executive Officer of Crosspoint Capital Strategies LLC. Crosspoint Capital Strategies (“Crosspoint”) has been in business in the state of California since March 8, 2010.

##### **B. Types of Advisory Services**

Crosspoint Capital Strategies provides advisory services for high net worth individuals, families, wealth advisers, pensions, unions, family offices, and corporations. Crosspoint Capital Strategies also provides sub-advisory services to Registered Investment Advisers.

These services are tailored to the individual needs of each client. Investments for individual accounts are selected based on varying factors of suitability determined through multiple sources.

Asset allocations may include exchange-listed securities, corporate debt securities (other than commercial paper), municipal securities, U.S. government securities, mutual fund shares, exchange traded funds, and separately managed accounts.

Crosspoint Capital Strategies monitors and reviews the account performance and the client’s investment objectives for all accounts. The fee that Crosspoint Capital Strategies receives for these accounts is typically based on a percentage of the market value of the assets being managed.

Crosspoint Capital Strategies also provides a weekly newsletter that outlines Crosspoint’s view on market sentiment for that given week. This information is free of charge.

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

Crosspoint Capital Strategies provides advisory services for its clients. These services are tailored to the individual needs of each client and are outlined in an Investment Policy Statement (“IPS”) that accompanies each client’s investment management agreement. Allocation models are agreed upon between the client and adviser. High-level restrictions relating to broad categories, such as industry, sector, risk level, volatility, etc. may be accommodated; however, clients may not have the ability to request restrictions of specific securities. The ability to accommodate restrictions will depend on the securities, and will be documented in the IPS, if applicable.

## **D. Wrap Fee Programs**

Crosspoint Capital Strategies currently participates in a wrap fee program by providing portfolio management services for our private clients. A wrap fee program is an investment program where you pay us, as the sponsor of the program, a single fee, which covers the costs of investment management, brokerage, custody and other services provided under this program. Crosspoint Capital Strategies acts as a sponsor to this wrap fee program as well as the portfolio manager.

In these strategies, Crosspoint Capital Strategies pursues proprietary technical measures to analyze price movements that are used to derive positive or negative signals. Crosspoint makes its investment decisions based on these signals and invests in cash (i.e. money market funds) or equities accordingly. Once a signal to purchase equities is given, Crosspoint will follow a fundamental, disciplined approach to select a diversified portfolio of equities securities based on the research of independent research resources.

Please see Section 8 (Methods of Analysis, Investment Strategies and Risk of Loss) for further details on investment management strategies.

## **E. Assets Under Management**

Crosspoint Capital Strategies has the following assets under management (rounded):

Discretionary Amount:	\$ 54,000,000
Non-Discretionary Amount:	\$ <u>          0</u>
Total Amount:	\$ 54,000,000
Date Calculated:	December 31, 2018

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

Crosspoint Capital Strategies charges management fees for its advisory services as a percentage of assets under management.

The fee shall be computed based on the schedule set forth below (or as negotiated with the client) and shall be billable at the end of each quarter based on the average daily account balance, unless otherwise agreed.

#### **Management Fee Schedule**

Individual relationships: 1.00% to 2.00%

Sub-Advisory relationships: 0.60% to 1.50%

Fees for individual & sub-advisory relationships are negotiable and may be discounted on a case-by-case basis. Fees for both types of relationships are charged at a fixed rate and will never exceed 2%.

## **B. Payment of Fees**

Clients may elect to be billed for fees incurred or have fees paid automatically by being deducted from the account(s). This election is made in the client's investment management agreement. Clients electing to have fees deducted from the account(s) will receive account statements that reflect and disclose the fee amount deducted from the account(s). Clients electing to be billed for fees incurred will receive bills quarterly. Lower fees for comparable services may be available from other financial providers.

## **C. Other Fees or Expenses**

Clients may incur brokerage and other transaction costs in addition to the Firm's advisory services, such as custodian fees or mutual fund expenses. Any such fees will be disclosed to the client in the investment management agreement and on the monthly brokerage statements received by the client from the custodian. See Item 12 "Brokerage Practices" of this Brochure for more information pertaining to brokerage practices. Crosspoint Capital Strategies does NOT receive a portion of any additional fees incurred by the client.

Crosspoint does not charge fees for any newsletters or publications provided to its clients.

## **D. Prepayment of Fees**

Crosspoint Capital Strategies charges investment management fees to clients based on a percentage of the client's total assets under management, and may be adjusted for deposits and withdrawals. The investment management fees are typically paid following the end of each quarter, or as specified in the client's investment management agreement.

Either party, for any reason, upon written notice, can terminate an investment advisory contract before its expiration date. If the advisory contract is terminated before the end of the billing period, the client will receive a refund for pre-paid fees, if any, for that billing period on a pro-rata basis.

If an advisory contract is terminated within 5 days of signing and delivery of this disclosure Brochure, no fees will be charged.

## **E. Compensation for Sale of Securities**

Crosspoint Capital Strategies does not accept compensation for the sale of securities or other 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**

Crosspoint Capital Strategies does not collect performance-based fees.

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

Types of clients may include individuals, high net-worth individuals, institutions, trusts, estates, charitable institutions, pensions, unions, family offices, corporations, other business entities, and retirement plans. There is no minimum requirement for account size.

## **Item 8: Methods of Analysis and Investment Strategies and Material Risks**

### **Methods of Analysis**

In certain instances, Crosspoint Capital Strategies and/or third-party analytical service providers also perform fundamental analysis on historical and current financial data. Crosspoint implements bottom-up and top-down analysis, taking into consideration the overall state of the economy, interest rates, production, earnings and management. The main sources of information that Crosspoint uses includes financial periodicals, inspections of corporate activities, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases and research materials prepared by others.

Fundamental analysis can be useful in making mid to long-term investment decisions. This type of analysis may not be as useful for investors with a short-term investment horizon. As fundamental analysis involves taking into consideration current social and economic factors, major, unanticipated events can change the expected outcome of investments that are based on this analysis type.

Crosspoint typically deploys investment strategies that involve the frequent trading of securities, which may subject the client to additional risk.

Asset allocations may include exchange-listed securities, corporate debt securities, municipal securities, U.S. government securities, mutual fund shares, exchange traded funds, and separately managed accounts. Investments for individuals are selected based on varying factors of suitability determined through an investment objective questionnaire and/or client interactions. Investment strategies used to implement any investment advice given to clients may include long and short-term trading activity.

### **Investment Strategies**

Crosspoint Capital Strategies offers a suite of portfolios that falls under our Tactical Growth & Capital Preservation Model. The objective of the portfolios is to invest in markets that are defined as being in a positive, upward trend, and to be positioned defensively during a negative, downward trend. The general investment methodology is consistent across each portfolio, while the specific types of investments purchased are unique to each portfolio. A position on the market is derived through proprietary technical measures which analyze price movements within the broader U.S. equity markets.

**Portfolios are not managed to take into consideration the impact of taxes to investors.**

A description of each strategy is as follows:

### **Crosspoint Tactical All-Cap Core Portfolio**

When a positive market signal is generated, the Crosspoint Tactical All-Cap Core Portfolio invests in a diverse portfolio of 20-30 individual US listed equities across all market capitalization. This is an opportunistic, long-only strategy that utilizes a combination of technical and fundamental research to support the purchasing of each security in the portfolio. The strategy follows a disciplined approach that applies technical thresholds that each security must meet, as well as liquidity minimums. Strict sell disciplines are set in place.

### **Crosspoint Market Plus Portfolio**

The Crosspoint Market Plus strategy is an investment strategy that shifts between U.S Index ETF's and 100% cash based on the condition and trend of the U.S. stock market as determined by the firm's proprietary Market Sentiment Indicator (MSI). When the MSI is Positive, the strategy will invest in 0-3 index ETFs weighted between 0-50% of the portfolio, and one leveraged index ETFs weighted between 0-35% of the portfolio, based on distinct technical parameters. When the MSI is Negative, the strategy will decrease market exposure. The primary goal of the strategy is to outperform its benchmark by being invested in rising stock markets and protecting investor capital when market risk is elevated.

### **Crosspoint Accelerated Growth**

The Crosspoint Accelerated Growth strategy is an investment strategy that shifts between U.S Index ETF's and 100% cash based on the condition and trend of the U.S. stock market as determined by the firm's proprietary Market Sentiment Indicator (MSI). When the MSI is Positive, the strategy will invest in 0-4 Leveraged Index ETF's weighted between 0-50% of the portfolio based on distinct technical parameters. When the MSI is Negative, the strategy will decrease market exposure. The primary goal of the strategy is to outperform its benchmark by being invested in rising stock markets and protecting investor capital when market risk is elevated.

## **A. Material Risks and Risk of Loss**

**Investing in any type of security (i.e. stocks, bonds, mutual funds, etc.) or investment strategy involves risk of loss. Investment losses can also include the loss of the original amount invested. Clients should take into consideration their ability to withstand any loss. Past performance is not indicative of future results. There are additional risks associated with investing in securities that include the following:**

- **Market Risk** – Either the stock market, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.

- **Interest Rate Risk** – The risk that an investment's value will change due to a change in interest rates. Such changes usually affect bond and other prices inversely.
- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk** - When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Fixed Income Risk** - When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **ETF and Mutual Fund Risk** – When investing in an ETF or mutual fund, there are additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Leveraged and inverse ETFs may not be suitable for all investors and have unique characteristics and risks. Although there are limited occasions where a leveraged or inverse ETF may be useful for some types of investors, it is extremely important to understand that, for holding periods longer than a day, these funds may not give you the returns you may be expecting.
- **Management Risk** – The value of your investment will vary with the success and failure of Crosspoint's investment strategies, research, analysis and determination of portfolio securities. If the investment strategies do not produce the expected returns, the value of the investment may decrease.
- **Leverage Risk** – When invested in leveraged products, there is investment exposure in excess of the products assets. It is possible that products that Crosspoint invests in will lose more money in market environments adverse to the objective of the underlying product itself. The use of leveraged strategies increases the risk to the fund and magnifies gains and losses on the investment. You could incur significant losses, including total loss, even if the long-term performance of the underlying index showed a gain. Most leveraged ETFs "reset" daily and due to compounding, therefore the performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.



- **Counterparty/Derivative Risk** – In order to achieve investment objectives of adding leverage/beta to a portfolio, some strategies will invest in derivatives, which are financial instruments whose value is derived from the value of an underlying asset or assets (stocks, bonds, ETFs, etc.). These instruments are primarily provided by large financial institutions, which could call for cash settlement or close the product at any time. Credit risk may arise from a counterparty if there are unwilling or unable to provide timely payments to the vehicle providers, despite its contractual obligation to do so.
- **Volatility Risk** – The returns of a strategy for periods longer than a single day will be the result of each day's returns compounded over the period, which will very likely differ from the return of the benchmark index over the same period. It is very possible for a strategy to lose money if the level of the benchmark Index is flat over time, and it is possible that such a strategy will lose money over time even if the underlying indexes rise due to volatility/compounding risk.
- **Liquidity Risk** – In certain circumstances, such as the disruption of the orderly markets for the securities or financial instruments in which Crosspoint invests, it is possible that a strategy might not be able to acquire or dispose of certain holdings quickly or at prices that represent true market value. Markets for the securities or financial instruments in which Crosspoint invests may be disrupted by a number of events, including but not limited to economic crises, natural disasters, new legislation, or regulatory changes inside or outside of the U.S. For example, regulation limiting the ability of certain financial institutions to invest in certain securities would likely reduce the liquidity of those securities. These situations may prevent the Fund from limiting losses, realizing gains or achieving a high correlation with the Index.

## **B. Recommendations of Types of Securities**

Crosspoint's primary strategies can involve recommending the following types of securities:

- Equities
- Exchange Traded Funds

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the firm or the integrity of the firm's management.

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

**A. Registration as a Broker-Dealer or Broker-Dealer Representative**

Neither Crosspoint Capital Strategies nor any of its management persons are registered as a broker-dealer or broker-dealer representative.

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

Neither Crosspoint Capital Strategies nor any of its management persons are registered as a futures commodity merchant, commodity pool operator or commodity pool trading advisor.

**C. Material Relationships with Related Persons**

Neither Crosspoint Capital Strategies nor any of its management persons have an arrangement with any related persons.

**D. Selection of other Investment Advisors**

Crosspoint Capital Strategies does not recommend or select other investment advisors.

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

**A. Code of Ethics**

Crosspoint Capital Strategies has adopted a Code of Ethics to govern its ethical obligations regarding personal securities transactions pursuant to Rule 204A-1 under the Advisers Act. Crosspoint's Code of Ethics addresses general standards regarding the Firm's fiduciary duty to clients as well as personal trading guidelines, insider trading policy, and general ethical standards applicable to all associated persons. Crosspoint Capital Strategies will provide a copy of its Code of Ethics to any client or prospective client upon request by contacting Crosspoint at (415) 291-2914.

**B. Recommendations Involving Material Financial Interest**

Neither Crosspoint Capital Strategies, nor any of its associated persons will recommend to clients, to buy or sell securities in which the Firm or its associated persons have a material financial interest, unless otherwise disclosed.

**C. Investing in the Same Securities as Clients**

Crosspoint Capital Strategies manages accounts for clients in-line with its stated investment strategy and portfolio models. The Firm does not prohibit employees

from trading in securities that are also recommended to its clients. This presents a conflict of interest. Any conflict that could arise from trading activity in the same securities by the Firm or its associated persons will be mitigated by the requirement for employees to comply with the Firm's code of ethics, which includes a requirement to disclose all holdings and trading activities.

If issues arise regarding Crosspoint Capital Strategies' fiduciary obligation and/or violations of the Firm's Code of Ethics, it will be escalated to the Firm's Compliance Department.

#### **D. Investing in Securities around the Same Time as Clients**

Crosspoint Capital Strategies will generally transact client orders at the same time or before the orders of its associated persons when the same securities are being bought or sold. In some instances, block trades with average price allocations may be placed that include allocation to accounts belonging to both associated persons of the Firm and clients. In order to mitigate any conflicts of interest, the Firm reviews associated person transactions to ensure that associated persons or related accounts do not receive better pricing than its clients when trades are placed at or about the same time. Employees must comply with the Firm's code of ethics & personal trading policy when transacting in securities around the same time as clients.

### **Item 12: Brokerage Practices**

#### **A. Factors in Selecting or Recommending Custodial Brokers**

Crosspoint Capital Strategies does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see "Item 15: Custody"). Your assets must be maintained in an account at a "qualified custodian," generally a broker/dealer or bank. We have chosen TD Ameritrade Institutional, a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), Charles Schwab & Co., Inc. ("Schwab"), a registered broker/dealer, member SIPC to act as custodian and broker/dealer for our client accounts.

In selecting brokers to execute portfolio transactions, Crosspoint makes a good faith judgment of about which broker would be appropriate. Neither Crosspoint, or any related persons, receive client referrals from a broker-dealer or third party. We take into consideration not only the available prices and rates of brokerage commissions, but also other relevant factors that may include (without limitation):

- the execution capabilities of the broker/dealer,
- research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis),
- custodial and other services provided by the broker/dealer that are expected to enhance our general portfolio management capabilities,
- the size of the transaction,

- the difficulty of execution,
- the operational facilities of the broker-dealers involved,
- the risk in positioning a block of securities, and
- the quality of the overall brokerage and research services provided by the broker/dealer.

When Crosspoint selects the broker/dealer for a transaction, we may cause you to pay a higher commission for effecting a transaction than another broker/dealer would have charged for effecting that transaction. Crosspoint does this if we determine in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided by the broker/dealer. The determination is viewed in terms of either the particular transaction or our overall responsibilities to you.

Additional information about the services offered by TD Ameritrade and Schwab is provided below.

### **TD Ameritrade, Inc.**

Crosspoint participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”). TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. In regards to the firm’s relationship with TD Ameritrade Institutional, it is important to note the following points:

- These benefits received by the Firm, or its associated persons, do not depend on the amount of brokerage transactions directed to TD Ameritrade.
- There exists a potential conflict of interest.
- The Firm’s receipt of general platform services does not diminish the Firm’s duty to act in the best interests of its clients, including seeking best execution of trades for client accounts.

Crosspoint does not maintain custody of your assets, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see “Item 15: Custody”). Your assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank. We recommend that our clients use TD Ameritrade as the qualified custodian. We are independently owned and operated and are not affiliated with TD Ameritrade. TD Ameritrade will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While Crosspoint recommends that you use TD Ameritrade as custodian/broker, you will decide whether to do so and will open your account with TD Ameritrade by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

## **Charles Schwab & Co., Inc.**

### The Custodian and Brokers We Use

Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While Crosspoint recommends that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

### Schwab Brokerage and Custody Costs

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. Crosspoint has determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “*How We Select Brokers/Custodians*”).

### Products and Services Available to Crosspoint From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like us. They provide Crosspoint and its clients with access to its institutional brokerage— trading, custody, reporting, and related services— many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services generally are available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

### Services That Benefit You.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

### Services That May Not Directly Benefit You.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions and client reporting

### Services That Generally Benefit Only Us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

## **Directed Brokerage**

You may instruct us to execute any or all securities transactions for your account with or through one or more broker/dealers designated by you. In these cases, you are responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by the broker/dealers and you are satisfied with the terms and conditions. We have no responsibility for obtaining the best prices or any particular commission rates for transactions with or through the broker/dealer in these situations. You recognize that you may not obtain rates as low as you might otherwise obtain if we had discretion to select broker/dealers other than those chosen by you. If you would like us to cease executing transactions with or through the designated broker/dealer you must notify us in writing.

## **Soft Dollars**

“Soft dollars” are typically generated when an investment advisor enters into an agreement with an executing broker to receive a portion of the commissions generated by the advisor’s client trades. The soft dollars are allocated to the investment advisor and can then be used to purchase items or services. The investment advisor has a fiduciary duty to its clients to obtain best execution, on an overall basis, for any securities transactions. Crosspoint does not use soft dollars as described above. The SEC changed the wording of certain questions on the Form ADV and has indirectly changed the definition of soft dollars. Due to the new wording, the receipt of goods and/or services from a third party in connection with providing advice to clients could be seen as “soft dollars.” The additional services we receive from custodians, as disclosed in Item 14 below and the “Products and Services Available to Us From Schwab” described above, would fall under this description of soft dollars. There is an inherent conflict in this relationship, as Crosspoint receives services from the custodian it recommends to clients. Crosspoint acknowledges its duty to act in the best interest of the client and in line with its fiduciary duty.

### **B. Aggregating Trades for Client Accounts**

On occasions when the Firm trades in individual securities in accounts managed in the same manner, the Firm may aggregate trades. The Firm will aggregate trades when it believes that it is in the best interest of the effected accounts. When such trade aggregations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, the Firm will attempt to allocate trade executions in the most equitable manner possible.

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

### **A. Periodic Reviews**

Most client accounts will consist of equities securities, mutual funds and ETFs in separately managed accounts. The trading activity in accounts is reviewed by the CEO Tony Cantando.

## **B. Factors that Trigger Other Than Periodic Reviews**

More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or market, political and economic events. Tony Cantando, the Chief Executive Officer, is responsible for conducting these reviews.

## **C. Reports to Clients**

Clients receive month-end or quarter-end account statements showing activity and period end positions, and a year-end tax statement detailing the previous year's taxable activity. The information will be prepared and sent to clients by the custodial brokers. Clients may choose to have online access to their accounts to view daily information.

Reports compiled by a third-party performance reporting service provider(s) may be made available to clients. These reports provide a review of all assets and performance information for the client's portfolio.

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

Crosspoint Capital Strategies does not have referral agreements or arrangements with other investment advisers or clients. Crosspoint Capital Strategies does not compensate persons for recommending its programs or strategies.

### **Item 15: Custody**

Crosspoint Capital Strategies does not have custody of client funds or securities, except for authorized fee withdrawals. All client funds and securities will be held at a custodial broker and each client will have online access and will receive a monthly or quarterly account statement directly from the custodian, as well as an invoice. Clients should carefully review these statements.

Crosspoint Capital Strategies has custody of client funds solely as a consequence of its authority to withdraw advisory fees directly from client accounts and as such, complies with the following guidelines:

- The custodian will receive the breakdown of fees from Crosspoint. The qualified custodian will reflect these fees through statements to the Firm's clients, which will reflect all disbursements for the account, including the amount of the advisory fees.
- Crosspoint Capital Strategies will receive written authorization from its clients permitting the payment of fees directly from their accounts held by the custodian. This written authorization will be provided in the advisory account agreement signed by each client.
- Crosspoint Capital Strategies will send each client an invoice itemizing the fee.

Reports compiled by a third-party performance reporting service provider(s) can be made available to clients upon request. These reports provide a review of all assets and performance information for the client's portfolio. We strongly urge clients to compare the account statements they receive from qualified custodians with those requested from Crosspoint Capital Strategies.



**Item 16: Investment Discretion**

Crosspoint Capital Strategies often receives discretionary authority to determine the securities to be bought or sold for a client's account, amount of securities to be bought or sold for a client's account, broker or dealer to be used for a purchase or sale of securities for a client's account, and commission rates to be paid to a broker or dealer for a client's securities transactions. Execution authority will be assumed only with an executed limited power of attorney, typically stated as part of the client's advisory and custodial agreements. Execution authority is usually limited to the allocation of client account assets by Crosspoint as part of the process to remain in-line with the client's investment objectives as outlined in the client's investment policy statement.

**Item 17: Voting Client Securities**

Crosspoint Capital Strategies does not accept authority to vote client securities. Crosspoint does not vote proxies on behalf of the client for securities held in client's accounts. The client maintains exclusive responsibility for: (1) directing the way proxies solicited by issuers of securities beneficially owned by client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to client's investment assets. Clients will receive their voting proxies or other solicitations directly from the custodian, unless otherwise directed by the client.

If a client has questions on any proxy or solicitation, they should contact Crosspoint.

**Item 18: Financial Information****A. Prepayment of Fees**

Crosspoint Capital Strategies does not require or solicit prepayment of fees six months or more in advance.

**B. Discretionary Authority**

Crosspoint Capital Strategies has discretionary authority over client assets in instances where the client approves such discretion. Crosspoint Capital Strategies is not subject to any financial conditions that is reasonably likely to impair its ability to meet its contractual commitments to clients.

**C. Bankruptcy**

Crosspoint Capital Strategies is not the subject of any bankruptcy petition, nor the subject at any time during the past ten year

## **Item 19: Requirements for State-Registered Advisors**

Crosspoint Capital Strategies does not collect performance-based fees.

No Crosspoint Capital Strategies advisors have any legal or disciplinary events to report, nor have they had one in the past.

Advisors of Crosspoint Capital Strategies do not have any material relationships or arrangements with any issuers of securities.

### **Tony Cantando**

CEO of Crosspoint Capital Strategies. Tony Cantando was born in 1975 and has a bachelor's degree in Business Administration from St. Mary's College of California. Mr. Cantando is the CEO and CIO for the Crosspoint Capital Strategies. A securities professional with over 15 years of experience, Mr. Cantando has been managing money for clients over 10 years using fundamental stock analysis allied with a technical buy/sell signal. Mr. Cantando has over 15 years' experience in the financial services industry. Previous positions include firms such as Banc of America and Wedbush Morgan Securities. Mr. Cantando's business background for the preceding 5 years is as follows: 2012 - Present: Crosspoint Capital Strategies, LLC.

### **Andrew Lancaster**

Associate of Crosspoint Capital Strategies. Andrew Lancaster was born in 1994 and has a bachelor's degree in Political Economy, with a specialization in International Economics from the University of California, Berkeley. Mr. Lancaster is an Associate for Crosspoint, providing research and analysis for its strategies. A securities professional with 5 years of experience, Mr. Lancaster has been involved in the money management industry since he first started at Sanctuary Wealth Services in 2014. Mr. Lancaster has 5 years of experience in the financial services industry. Previous positions include firms such as Sanctuary Wealth Services and Goldman Sachs. Mr. Lancaster's business background at Crosspoint is as follows: January 2017 – Present.

### **Other Disclosures**

The delivery of this firm brochure is an acknowledgement that Crosspoint Capital Strategies has disclosed any and all material conflicts of interest.