

SEC Form ADV Part 2A “Brochure”

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This brochure provides information about the qualifications and business practices relating to the investment advisory business of Black Coral Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact Black Coral at (973) 352-8600. 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. Investment adviser registration, or any reference to the firm being, or the use of the term, “registered” does not imply a certain level of skill or training.

Additional information about Black Coral Financial Advisors, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 1 – MATERIAL CHANGES

This brochure is our annual updating amendment. There are no material changes to the information contained in this brochure since our last amendment dated December 31, 2017.

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ITEM 2 – ADVISORY BUSINESS

Introduction

This Brochure describes the investment advisory services offered by Black Coral Financial Advisors, LLC (“Black Coral”).

Black Coral provides advisory services to clients and has been helping clients build and preserve their financial wealth. Black Coral is headquartered in Mount Olive, New Jersey. Black Coral has been in operation since July 2010. Principal owner of the firm is Stephen P. Liska, President & Founder.

Advisory Services

Black Coral is a financial counseling firm that offers investment advisory services through financial counseling and investment education and advisory programs, and also offers investment accounts based on the stated investment objectives, risk tolerance and financial circumstances of each client. Client accounts for which Black Coral has expressly agreed to serve as investment adviser pursuant to a separate agreement are referred to as “Advisory Accounts,” and include (i) accounts that are managed by teams of portfolio management personnel within Black Coral who manage various investment strategies (“Portfolio Management Teams”), (ii) separately managed accounts that are managed on a discretionary or nondiscretionary basis by an investment committee and (iii) certain non-discretionary accounts that are advised by a designated Black Coral professional. “Advisory Personnel,” i.e., those providing advisory services, include, as may be appropriate in the context, Presidents, Vice Presidents, and Analysts. Advisory services on non-discretionary accounts indicates that Black Coral cannot effect changes in client accounts without first obtaining the client’s consent. Black Coral’s services may be limited for clients residing outside the United States.

Black Coral offers investment advice under the laws of the United States through the following services and programs:

a. Financial Counseling

Black Coral’s primary business is providing the following financial counseling advisory programs, which are separate and apart from the investment advisory services offered to Advisory Accounts. Clients are not required to maintain Advisory Accounts with the Firm to receive the described services. The services are an all-inclusive package and the only service that can be declined with a fee reduction is annual tax preparation service.

Comprehensive Financial Counseling

Black Coral provides Comprehensive Financial Counseling services to individuals directly or through employer sponsored programs. Comprehensive Financial Counseling

services delivered to all clients through Black Coral may include assisting clients in (i) developing a comprehensive plan designed to maximize the benefits of their employers' compensation and benefit programs, preserve the clients' assets and manage income on a long-term basis, (ii) developing a clients' retirement program and estate plan, (iii) reviewing and analyzing client insurance (both existing coverage and need requirements), and (iv) preparing consolidated financial reports.

In addition to furnishing investment advice, Black Coral will generally assist clients receiving comprehensive financial counseling an overall financial plan coupled with tax and estate planning. In order to develop a financial plan, Black Coral will analyze the financial status of the counseled client, his or her sources of income, assets, personal obligations and debts, objectives, commitments, cash flow, family responsibilities and the effect of the existing income and estate tax structure on his or her sources of income and accumulation of wealth.

General Information on Financial Counseling Relationships

Black Coral comprehensive financial counseling clients are not required to implement their financial plans through Black Coral or its affiliates in their capacity as asset managers, insurance agencies or broker dealers. Black Coral personnel may refer clients to Black Coral affiliates for investment and brokerage accounts. Such personnel are also licensed insurance agents and sub-producers of Black Coral 's affiliates. "Affiliates" of Black Coral are independent third-party businesses that conduct specific regulated services. Black Coral has no requirement for exclusive use of any affiliate services, affiliates businesses may involve: mortgage banking, banking service, bill payment services, health care and insurance, real estate, legal services, etc. Black Coral advisors may be appointed as agents of insurance companies, and they may refer clients for placement of insurance and annuities products. Clients contracting for investment advisory supervision with a grant of discretionary authority to Black Coral or its affiliates are directing Black Coral to utilize the broker-dealer platform made available by Black Coral, which is currently the Fidelity Platform and/or Charles Schwab Platform (described below).

In providing any of the comprehensive financial counseling services described above, Black Coral may provide education and make recommendations to its clients guided by the overall personal objectives of the client. Black Coral may provide a recommendation to clients concerning asset allocation among certain asset groups. The fact that Black Coral may consider a client's brokerage account assets in providing asset allocation advice or that a client may implement Black Coral 's advice in a brokerage account does not mean that a client's brokerage accounts are advisory. Comprehensive financial counseling services assist a client in developing a comprehensive financial plan and are not designed to be specific to any particular investment account and do not modify the terms and conditions governing a client's investment accounts. Those terms

and conditions, unless otherwise amended, control for all purposes of such investment accounts.

Except as otherwise expressly agreed in writing, Black Coral does not assume or take discretion or power of attorney to execute or fulfill any duties to take action pursuant to recommendations, advice or financial planning strategies that Black Coral may provide to clients, which ultimately remain the client's obligation.

Black Coral does not provide attest or compilation services and does not prepare, present, audit, review or examine prospective financial information or express any opinion as to the accuracy or validity of that information.

Black Coral does not provide accounting advice to its clients but may provide introductions to and arrange for and locate such third-party services. Clients may also consult with Black Coral concerning realty purchases, special asset purchases and their part-time business ventures. Black Coral does not undertake to nor does it perform due diligence regarding any such investments or ventures and may not have any expertise in these areas.

Black Coral maintains third party relationships and affiliations with technical specialists and industry groups and experts and such relationships are dedicated to supporting Black Coral by providing ongoing research, training and technical support in various technical disciplines, including estate and tax planning matters.

Black Coral may produce charts, graphs and other devices with respect to asset allocation and performance of various asset groups on a periodic basis which can be made available to comprehensive financial planning clients. These charts may be published by Black Coral and may be made available to Comprehensive Financial Counseling, without a fee.

In addition, Black Coral may prepare charts and graphs with respect to stock option exercises, employee benefit distributions and other matters of employee compensation for comprehensive financial counseling clients.

Black Coral does not provide tax, benefits consulting services or investment advice to corporate, non-individual person, clients with respect to corporations or legal entity's benefits and compensation plans, or act as a fiduciary with regard to such plans. In this instance, this a corporate client is a legal entity that pays for an individual or group's comprehensive financial counseling directly to Black Coral and through such payment the corporate client is not considered a client.

a. Financial Related Services

Black Coral may provide financial education and planning services to program sponsors such as large employers or associations on an individual or group basis, under a separate written agreement between Black Coral and the sponsoring organization and in some circumstances, an individual participating in a program sponsored by an organization.

The service consists of various components as selected by the sponsoring organization and may include a customized seminar, a personal planning session for each of the enrolled employees, customized financial planning exhibits and access to the Black Coral advisor for a limited time.

Seminars, customized to address individual employee benefits, but not rendered advice to corporations or other legal entities regarding the corporate or business programs, offering impersonal financial education on varying topics that may be delivered live, in person or via web, or on various recorded media are also available.

Fees vary depending on the number of days of the seminar program, the number of participants involved and the customization of the program.

Black Coral may also provide services dedicated to assisting a client after the death of a spouse or family member or terminally ill and or recently permanently disabled. Such services are designed to meet the client's and family's needs and priced based on those needs.

b. Investment Accounts

Black Coral has arrangements with Fidelity Brokerage Services LLC and National Financial Services LLC (together "Fidelity" and the "Fidelity Platform") through which Fidelity may provide various services to a Black Coral client including, among others, brokerage, custodial, administrative support, record keeping and related services some of which services may assist Black Coral in report and statement generation, application generation, web site maintenance, administration, and client directed requests. Black Coral is not affiliated with Fidelity but has executed a Custodial Support Services Agreement with Fidelity to allow Black Coral to receive Fidelity's assistance.

Black Coral has arrangements with Charles Schwab ("Charles Schwab Platform" or "Charles Schwab Platform") through which Charles Schwab may provide various services to a Black Coral client including, among others, brokerage, custodial, administrative support, record keeping and related services are provided and which may assist Black Coral in report and statement generation, application generation, web site maintenance, administration, and client directed requests. Black Coral is not affiliated with Charles Schwab but has a Custodial Support Services Agreement with Charles Schwab to receive Charles Schwab's assistance.

Investment Accounts – Managed by Black Coral Teams

Black Coral may provide clients with investment advisory services through separately managed accounts on a discretionary and non-discretionary basis. The various strategies available include fixed income taxable bonds (government and/or corporate bonds), municipal bonds, equities, mutual funds and exchange traded funds ("ETFs").

Investment Accounts – Managed by Black Coral Affiliates or Unaffiliated Managers

Black Coral advisors may also recommend that clients select to manage all or a portion of a client's assets or may recommend unaffiliated investment managers to manage all or a portion of a client's assets.

Investment Accounts – Managed by Black Coral – Other

Other Black Coral managed Advisory Accounts include Managed Advisory Accounts; The Black Coral Charitable Foundation ("BCCF") Account and Managed Advisory Accounts are designed by Black Coral through consultation with the client to develop an account with suitable investment objectives and risk tolerance relative to the client's financial circumstances and asset allocation strategy. Black Coral may select investment options on behalf of the client on a discretionary basis reflecting the client's overall investment objectives, asset allocation strategy and investment guidelines.

Investment Accounts – Nondiscretionary Advisory Accounts

Nondiscretionary Advisory Accounts offered through Black Coral 's an express written account agreement includes strategies investing in mutual funds held on the Fidelity Platform or Charles Schwab Platform through Black Coral. These programs provide clients an opportunity to consolidate mutual fund holdings from various mutual fund families in one account through the Fidelity Platform or Charles Schwab. Black Coral has entered into an agreement with both Fidelity and Charles Schwab to have these unaffiliated companies provide custodial services to these accounts.

Investment Restrictions

Clients may impose certain reasonable restrictions on the management of their accounts, subject to Black Coral's policies, including by restricting particular securities or types of investments provided that Black Coral and/or the unaffiliated asset managers accepts such restrictions. Any accepted restrictions will be documented and confirmed in writing by Black Coral or the investment manager, as applicable. Clients should be aware that the performance of accounts with restrictions may differ from, and may be lower than, the performance of accounts without restrictions.

Assets Under Management

As of December 31, 2018, Black Coral managed approximately \$515,000,000 of client assets, of which approximately \$331,000,000 was managed on a third party discretionary basis and approximately \$184,000,000 was managed on a nondiscretionary basis.

Investment advice provided includes the selection, asset allocation and reallocation, monitoring and reporting of asset allocations, and risk and return performance reporting around publicly traded investments available to comprehensive financial planning clients. Advice is provided on an individualized basis which is guided by the client's risk tolerance, investment objectives, costs, other client asset holdings, liabilities,

investment expertise, cash flow sources and needs, and return goals. Advice does not include selection, asset allocation and reallocation, monitoring, and risk and return performance reporting of private equity holdings or closely held businesses and does not involve any public single-stock analysis or recommendations.

Client needs and investment parameters are established through risk tolerance questionnaires; individualized meetings to determine specific goals and financial objectives; collection of all financial, tax, estate, insurance and other demographic data, to develop a holistic investment plan that incorporates income, future expectations of income, cash flow and future capital and obligatory needs, health situations of nuclear and extended family, insurance needs and requirements, risk and return goals, investment expertise and experience, along with liability and debt requirements, tax payments and residency. Client investment needs, goals, and risk tolerance are monitored, reviewed and analyzed at minimum annually but are discussed through the ongoing and active period of the comprehensive financial planning period.

ITEM 3 – FEES AND COMPENSATION

Unless otherwise indicated below, fees that are specified herein are negotiable or may be waived in Black Coral's discretion. Lower fees for comparable services described below may be available from other sources.

a. Fees for Advisory Services - Financial Counseling

Comprehensive Financial Counseling

Employer Sponsored Programs. Black Coral charges a counseling fee for each individual in the Comprehensive Financial Counseling program. Fees will vary based on a number of factors, including the complexity of the services provided, whether tax preparation is included, the size of the corporate program, and location and travel needs as well as Black Coral's overall relationship with the client. Each program is separately designed and contracted for.

The first fee model is currently offered to a number of clients and provides for an annual fee. For corporate clients using this fee model, Black Coral currently offers its service for an annual fee per individual of between \$0 and \$100,000. The annual fee may be adjusted for cost of living expenses. Both the fee and fee adjustment are negotiable and may vary significantly based on the factors above. In addition, Black Coral reserves the right to make exceptions, on a client by client basis, to the current fee ranges.

Black Coral's fees associated with the work performed for the individual is paid to Black Coral either partially or completely by the corporate client or the individual to whom services are being provided.

Black Coral charges a fee for each individual receiving financial counseling services through a program other than an employer sponsored program. Black Coral currently offers its financial counseling services to individuals for an annual fee of between \$0 and \$100,000. The annual fee may be adjusted for cost of living expenses after the first year of service.

Both the fee and fee adjustment are negotiable and may vary significantly based on the factors cited above. In addition, Black Coral reserves the right to make exceptions, on a client by client basis, to the current fee ranges.

Seminars

Fees vary depending on the number of days of the seminar program, the number of participants involved and the customization of the program. Fees range from \$5,000 to \$250,000 and Black Coral reserves the right to charge on a per day or per participant basis which may increase or decrease such fees.

a. Fees for Advisory Services - Investment Accounts

For investment advisory services provided to clients generally pay advisory fees based on a percentage of assets (generally net of any margin debit balance) in the account. Depending on the strategy selected, clients may pay Execution Charges (defined below) in addition to the advisory fees.

The advisory fee paid by each client is set forth on the fee schedule signed by the client for the applicable strategy. Actual fees paid may be negotiated and may vary from those in the fee schedule below. A client may pay more or less fees than similar clients depending on the particular circumstances of the client, size, additional or differing levels of servicing or as otherwise agreed with specific clients.

Black Coral may receive investment advisory fees on these accounts, as described below, and Black Coral personnel may receive compensation related to the investment advisory fees charged by Black Coral. Unless otherwise indicated below, Black Coral does not charge a separate Black Coral investment advisory fee on portions of portfolios comprised of mutual funds and/or ETFs recommended and managed by Black Coral.

Black Coral accounts can be held on either the Fidelity Platform or Charles Schwab Platform. Commission schedules charged by Fidelity or Charles Schwab as well as the available managers may vary depending on whether the assets are held on the Fidelity Platform or the Charles Schwab investment platform.

Mutual fund fees and expenses, including any redemption fees for liquidating any mutual fund shares, are described in the relevant fund prospectuses and are paid by the mutual funds but are ultimately borne by clients as shareholders in the funds. Such fees and expenses are separate and apart from Black Coral's fees.

Investment Accounts –Managed by Black Coral

The advisory fees set forth below represent the maximum fee that may be charged by Black Coral, absent special circumstances. Fees may be negotiable based on account objectives, level of service, other assets under management or other relationships that the client has with Black Coral and other relevant facts and circumstances. The fees charged below is the Black Coral fee. There may be additional fees, commissions and/or execution costs charged by Fidelity or Charles Schwab for each account.

Although Black Coral does not charge an additional advisory fee for assets invested in unmanaged mutual funds or ETF accounts such assets are subject to advisory and various other fees and expenses paid to the service providers of each mutual fund.

Black Coral may provide these services on a fee basis that is based upon a percentage of the market value of the assets being managed. The investment management fee charged shall vary depending upon the market value of each client's assets under management per account as follows:

Assets Under Management	Annual Fee
First \$1,000,000	1.00%
Next \$1,000,000	0.95%
Next \$1,000,000	0.90%
Next \$1,000,000	0.85%
Next \$1,000,000	0.80%
Amounts over the first \$5,000,000	0.75%

Non-Discretionary Investment Consulting using Separately Managed Accounts with Comprehensive Financial Planning

A client may engage Black Coral to solely provide financial planning and consulting services (including general business consulting) and non-discretionary investment consulting relative to assets not managed by Black Coral. As discussed above, Black Coral will charge a negotiable fee for these services depending upon the level and scope of the services required. In the event that a client who engages Black Coral to provide such financial planning and consulting services and non-discretionary investment consulting also seeks to engage Registrant to provide quarterly investment performance reporting relative to assets not managed by Black Coral, Black Coral may charge that client an annual fixed fee for such reporting services equal to a minimum of \$1,500 which can be increased depending upon the client's needs and complexity. In the event that the client seeks to also engage Black Coral to provide discretionary investment management services to one or more of such client's account(s), Black Coral may provide such discretionary investment

management services on a fee-only basis for an additional fee that is based upon a percentage of the market value of the assets and the asset class being managed by Black Coral per account as follows:

<u>Asset Class</u>	<u>Annual Fee</u>
Fixed Income	Up to .50%
Equities	Up to 1.00%

Black Coral generally requires a \$500,000 account minimum for asset management services, but that amount is negotiable at Black Coral's sole discretion. Black Coral's annual investment management fee shall be pro-rated and paid quarterly, in arrears, based upon the market value of the assets on the last day of the calendar quarter.

With respect to a client with multiple accounts, Black Coral, in its sole discretion, may combine the amount of assets in more than one account in determining the fee to be charged to that client for services on the client's total amount of assets. In addition, Black Coral, in its sole discretion, may charge a lesser management fee and/or reduce or waive the account minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, type of services required, account composition, negotiations with client, etc.).

Black Coral investment advisory fees are generally debited from either the Fidelity or Charles Schwab client accounts. (Fees for comprehensive financial planning services will generally be billed directly to clients but clients can elect to have planning fees debited from non-IRA accounts if requested in writing.) Clients may request either form of billing and it must be done in writing 30 days prior to the close of the calendar quarter. The default is to have fees deducted directly from client accounts. If a client account does not have adequate assets to pay fees, then the client will be billed directly for those fees. The billing is to occur on a calendar year quarterly basis, billed in arrears for that quarter, using the ending account balance method adjusted for inflows and outflows on a pro-rata basis per the negotiated fees per each account type and relationship. Fees will be debited or billed to an account no later than 30 days after the close of the quarter.

Other fees from the underlying investments may be billed differently and clients will need to review the underlying managers' fee schedules and procedures separately.

a. Other Fees and Expenses

Clients may also pay fees for custody, administrative services and consolidated reporting as well as underlying mutual fund and private investment fund fees and expenses.

Execution Charges

Clients pay Execution Charges at rates determined by the custodians or broker-dealer(s). These rates may be negotiated and clients may pay more or less Execution Charges than similar clients for identical transactions. For accounts on the Fidelity Platform and Charles Schwab Platform, Fidelity and Charles Schwab may impose Execution Charges, for equities, fixed income and other securities, in addition to the advisory fees charged by Black Coral listed herein. Black Coral does not share in Execution Charges imposed by Fidelity or Charles Schwab.

Execution Charge Description and Applicability

A description of the different types of Execution Charges that clients may pay is provided below.

Commissions

The amount charged by a broker for purchasing or selling securities or other investments as an agent for the client, as disclosed on the client's trade confirmations. Commissions may be charged in connection with transactions involving equities, master limited partnerships, exchange traded funds, listed options on equities and any other securities traded as agent.

Commission Equivalents

The amount charged by a dealer for purchasing or selling securities or other investments in certain riskless principal transactions (that is, transactions in which a dealer, after having received an order to buy or sell from a client, purchases or sells the security from another person to offset the client transaction). Commission equivalents may be charged in connection with transactions involving equities, listed options on equities and master limited partnerships.

Spreads

The difference between the current purchase or bid price (that is, the price someone is willing to pay) and the current ask or offer price (that is, the price at which someone is willing to sell). The spread is included in the price of the security. The difference or spread narrows or widens in response to the supply and demand levels of the security. Spreads may be included in transactions involving fixed income securities, structured products and currencies.

Markups/Markdowns

A markup is the price charged to a client, less the prevailing market price, which is included in the price of the security. A markdown is the prevailing market price of a security, less the amount a dealer pays to purchase the security from the client, which is included in the price of the security. Markups/Markdowns may be included in

transactions involving fixed income securities, structured products and currencies. See Section 12 of this Disclosure Brochure for additional information concerning brokerage.

Fees Related to Custody and Administrative Services

Clients may pay fees for operational and administrative support for their accounts, including fees for wires and other client services. The amount of the fee will vary based on whether the account is on the Fidelity Platform or Charles Schwab Platform; the client's relationship and the amount of assets under management.

Fees Related to Consolidated Reporting Services

For accounts on the Fidelity Platform, Charles Schwab Platform and in combination, each custodian provides consolidated statements and tax reporting. Black Coral does not charge any fee to the client for this level of service, although the client may pay its proportionate share of the standard expenses of any mutual funds in which it invests through the Fidelity Platform, Charles Schwab or in combination.

Underlying Fund Fees

Clients invested in pooled investment vehicles pay all fees and expenses applicable to an investment in the funds, including asset-based, performance-based, carried interest, incentive allocation and other compensation payable to the managers in consideration of the managers' services to the funds and fees paid for advisory, administration, distribution, shareholder servicing, sub-accounting, sub-transfer agency and other related services, or "12b-1" fees. An investor in a fund-of-funds vehicle will also bear a proportionate share of the fees and expenses of each underlying investment fund. In addition, a manager of a private investment fund may receive deal fees, sponsor fees, monitoring fees or other similar fees for services provided to portfolio companies. The fees and expenses imposed by a private investment fund may offset trading profits and, therefore, reduce returns.

Prepaid Fees

Black Coral's clients may pay fees in advance and certain services may require prepayment of fees, including certain financial counseling and seminar services. For Comprehensive Financial Counseling services, unless otherwise agreed in writing by Black Coral and the client, fees for the first six months of service are nonrefundable, and after six months Black Coral will refund a pro-rata portion of billed but unaccrued advisory fees in the event an advisory contract is terminated before the end of a billing period. For Comprehensive Financial Counseling services provided directly to individuals, unless otherwise agreed in writing by Black Coral and the individual client, Black Coral will refund fees paid but unearned in the event an advisory contract is terminated before the end of a billing period. Client must send a letter to Black Coral to terminate the relationship. As discussed above, if not otherwise agreed and termination is effectuated in the first six months, then there will be

no refund of 50% of the pre-paid yearly fee. If otherwise agreed or if termination is after the first six months, then the refunded amount will be on a pro-rata daily basis calculated to the agreed upon date of termination of service which may be the date the written termination letter is received. For seminar services, unless otherwise agreed in writing by Black Coral and the client, Black Coral will refund a portion of billed but unaccrued advisory fees in the event an advisory contract is terminated before the prepaid services are rendered.

Use of Unaffiliated Brokers

Certain of the securities and investment products that Black Coral recommends or selects for accounts may be available for purchase through a brokerage account or through unaffiliated financial institutions. Clients who purchase securities and investment products outside of their accounts will not incur the advisory fees described in this Brochure, and any other fees and expenses may differ from those charges in Black Coral accounts.

Fee Offset for Execution Charges

Black Coral does not reduce its advisory fees to offset Execution Charges, including commissions, except to the extent required by applicable law.

ITEM 4 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Black Coral does not receive performance-based fees for advisory services provided to accounts.

ITEM 5 – TYPES OF CLIENTS

Types of Clients

Clients include individuals and their private investment vehicles, corporations and other business entities, trusts, estates, charitable organizations, banks, thrift institutions, pensions and profit sharing plans.

Account Requirements

To open or maintain an Advisory Account with Black Coral clients are required to sign an investment advisory account agreement that, among other things, describes the nature of the investment advisory authority granted to Black Coral, and select an investment objective reflecting the client's investment goals and risk tolerance.

ITEM 6 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Significant Investment Strategies, Methods of Analysis and Material Risks

Advisory Accounts and advisory clients may choose to invest in multiple asset classes. In formulating investment advice as part of Comprehensive Financial Counseling, seminar services to individual advice to advisory accounts, Black Coral personnel may rely on strategic and tactical asset allocation models or recommendations prepared by Black Coral's as a resource, but there is no guarantee that any advisor account will in fact track these recommendations.

When managing advisory accounts and advising advisory clients, Black Coral personnel may also use model portfolios provided by unaffiliated third parties or use a variety of other investment analyses tools. Different Advisory Personnel may use different tools, analysis and other inputs to manage advisory accounts and advise advisory clients. Black Coral manages strategies investing in particular asset classes and investments, including Taxable Fixed Income (Government and/or Corporate), Municipal Fixed Income, Equities, Mutual Funds and ETFs. The methods of analysis vary by Black Coral and are described under the applicable strategy type. The risks described below for strategies investing in particular asset classes that are managed by Black Coral may apply to accounts advised by Black Coral personnel invested in those asset classes. As result, the management of or advice to advisory accounts and advisory clients with similar investment strategies may differ among Black Coral advisory personnel based on different methodologies, asset allocation implementation by the client and client investment goals.

Black Coral does not make single stock or bond recommendations that are not controlled by a separate agreement entered by the client.

Black Coral may follow, review or make any recommendations concerning of third party managers not recommended by Black Coral. Black Coral's actions with regard to these managers, mutual funds, or other products may differ from, and may conflict with, the opinions or advice given or investment decisions made by the recommending party or manager.

Black Coral as an accommodation may include investments managed by third party managers in asset allocation discussions or in an asset allocation and other financial planning exhibits; however, any decision to invest with any manager is determined solely by the client.

In reviewing Variable Products, Black Coral may review issuing insurance carriers' credit rating, competitiveness of product, client service resources and general processes for manager selection for separate accounts underlying Variable Products ("Variable

Subaccounts”). As an accommodation, Black Coral may provide clients with model portfolios of Variable Subaccounts based on strategic asset allocation. Black Coral does not conduct due diligence on any of the Variable Subaccounts or their managers and does not provide advice on or recommendations of individual Variable Subaccount. Inclusion of any Variable Subaccounts in the model portfolio(s) is based on the information provided by the issuing carrier and/or third-party database providers and Black Coral has not verified the accuracy of any information provided by or about the Variable Subaccount. Past performance may not be indicative of future results.

Black Coral and its affiliates will not be liable for any losses that clients may suffer, directly or indirectly as a result of their acquisition, disposal or holding of investments(s) managed by any manager. Black Coral will rely on information provided by its clients or their agents when including money managers and third party research sources in asset allocation discussions, preparing asset allocation and other financial planning exhibits. Neither Black Coral nor its affiliates verify the accuracy of the information concerning provided by clients or their agents or the third-party research sources.

Clients should understand that all investment strategies and the investments made as a result of implementing those investment strategies involve risk of loss and clients should be prepared to bear the loss of the assets invested and, in the case of naked option strategies, beyond the amount invested. The investment performance and success of any investment strategy or particular investment performance strategy or particular investment can never be predicted or guaranteed, and the value of a client’s investments fluctuates due to market conditions and other factors. The investment decisions and recommendations made and the actions taken for investment accounts and advisory clients are subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable. Past performance of accounts and manager is not indicative of future performance, which may vary. In general, investing in securities involves risk of loss that clients should be prepared to bear.

Risks Applicable to all Advisory Accounts and Advisory Clients

This brochure does not disclose every potential risk associated with an investment strategy, or all of the risks applicable to a particular manager, investment or allocation, and these risks may apply to assets serviced by Black Coral. Rather, it is a general description of the nature and risks of the strategies and securities and other instruments that clients may invest in. Except as otherwise expressly agreed in writing, Black Coral does not assume any duties to take action pursuant to recommendations, advice or financial planning strategies that Black Coral may provide to clients, which ultimately remain the client’s obligation. Clients are not required to implement their financial plans through Black Coral and Black Coral is not responsible for mitigating any of these risks for clients implementing their investment strategies. The following risks are applicable to all strategies:

- **Market/Volatility Risk** – The risk that the value of the assets in which a client invests may decrease (potentially dramatically) in response to the prospects of individual companies, particularly industry sectors or governments, general economic conditions, interest rates, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies. Past performance may not be indicative of future results.
- **Operational Risk** – This risk of loss arising from shortcomings or failures in internal processes or systems, external events impacting those systems and human error. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents such as major systems failures.
- **Liquidity Risk** – This is the risk that a manager or investment may not be able to monetize investments either because those investments have become less liquid or illiquid in response to market developments or adverse investor perceptions.
- **Concentration Risk** – The increased risk of loss associated with not having a diversified portfolio (e.g., investments concentrated in a geographic region, industry sector or issuer will experience greater loss due to an adverse economic, business or political development affecting the region, sector or issuer than an account that is diversified and therefore has less overall exposure to that region or sector or any issuer).
- **Tax, Legal and Regulatory Risks** – The risk of loss due to increased costs and reduced investment and trading opportunities resulting from unanticipated legal, tax and regulatory changes.

Risks Applicable to Advisory Accounts Managed by the Portfolio Management Teams

In addition to the risks applicable to all strategies the specific risks of each strategy should also be considered. The following is a description of the strategies and the material risks involved in investing in each strategy.

Fixed Income Strategies: Taxable (Corporate and/or Government) and Municipal Bonds

Black Coral may recommend taxable fixed income bond and municipal bond strategies managed by specialized third party teams. There are several sub-strategies for taxable fixed income investing in US dollar denominated government and corporate investment grade bonds. Taxable fixed income portfolios are composed of individual treasury, agency, sovereign/supranational and/or corporate securities. Clients have the ability to tailor portfolios to 100% government bonds, 100% corporate bonds or a portfolio of both government and corporate bonds and may also specify desired range of maturities for securities. The primary objectives of the taxable fixed income and municipal bond strategies are capital preservation and current income.

Municipal bond strategies are customized portfolios of high credit quality municipal bonds with varying maturities. When adequate diversification is possible, the bond portfolios are usually constructed from bonds issued in the client's state of residence for clients that reside in states with high income taxes.

However, investment managers may also purchase out-of-state bonds when after-tax yields warrant or when adequate in-state diversification is not possible. Securities are generally held until maturity and not actively traded.

Black Coral does not perform fundamental analysis on all issuers selected for a client's fixed income portfolio, as that role is the responsibility of the third party unaffiliated manager. An example of the expected fundamental analysis may include a review of financial statements, rating agency reports and/or research reports and it is expected by Black Coral that managers of fixed income hired by clients will engage in ongoing risk management, individual credit and portfolio monitoring of such investments, including periodic review of liquidity, general business trends and daily risk reports.

The material risks associated with fixed-income strategies include:

- Credit/Default Risk – The risk of loss due to negative credit events related to the issuer or an issuers or guarantor's default on its obligation to pay interest and repay principal.
- Interest Rate Risk – The risk of loss in the event of interest rate increases due to the inverse correlation between interest rates and fixed income securities (that is, when interest rates increase, fixed-income securities will generally decline in value).
- Liquidity Risk – Sales of fixed-income securities prior to maturity may result in a loss versus purchase price and/or discount to fair market value.

Mutual Funds and Exchange Traded Funds

Mutual fund and Exchange Traded Fund accounts are composed of both mutual funds and ETFs allocated in accordance with the model selected by the client based on the client's individual risk tolerance. Each model asset allocation is constructed by Black Coral. The strategy's primary objectives are all equity, growth of capital, moderate growth or conservative style based on the client's overall investment objectives. Black Coral will review and periodically rebalance managed mutual fund and Exchange Traded Fund accounts to the appropriate model.

The primary risk involved in investing in mutual funds is a decline in the underlying investment value. In addition, mutual fund holdings are reported with a lag. Underlying mutual fund holdings may change rapidly and fund performance may differ from expectations as a result. For ETF holdings in accounts, ETFs may trade at a discount or premium to their underlying net asset value ("NAV"). ETFs may not fully replicate the

construction of their benchmark index, resulting in performance that differs from expectations. Investors purchasing an ETF at a premium may underperform the ETF NAV, while the redemption of shares may result in the ETF trading at a discount to NAV.

ITEM 7 – DISCIPLINARY INFORMATION

This Item requests information relating to Black Coral. There are no reportable material legal or disciplinary events related to Black Coral. In the ordinary course of its business, Black Coral and its investment management affiliates and their employees have in the past been, and may in the future be, subject to formal and informal regulatory inquiries, subpoenas, investigations, and legal or regulatory proceedings, involving the SEC, other regulatory authorities, or private parties.

ITEM 8 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Other Material Relationships with Affiliated Entities

Accounts will generally execute all transactions through the Fidelity Platforms and Charles Schwab Platforms.

With respect to arrangements with a related person who is an insurance company or agency, Black Coral may engage in the insurance agency business through third party relationships for purposes of selling insurance contracts but not including variable life and variable annuity insurance contracts for separate compensation. Advisory clients are not obligated to use Black Coral to purchase insurance or annuities. Certain Black Coral Professionals Advisers are licensed insurance agents and sub-producers the compensation received by such personnel may vary depending on the insurance company and product purchased. Such personnel may also be appointed as agents of the issuing insurer.

Recommendations to purchase or exchange insurance products are made by Black Coral professionals solely in their capacity as an insurance agent associated with the third-party agency or companies. Black Coral personnel do not utilize any separate investment advisory agreement when distributing insurance.

Management Persons; Policies and Procedures

Black Coral has established a variety of restrictions, policies, procedures, and disclosures designed to address potential conflicts that may arise between Black Coral, its management persons and its affiliates. These policies and procedures include: information barriers

designed to prevent the flow of information between Black Coral, its personnel and certain other affiliates; policies and procedures relating to brokerage selection, trading

with affiliates or investing in products managed or sponsored by affiliates; and allocation policies applicable to Advisory Accounts and Accounts (as defined below). Additional information about these conflicts and the policies and procedures to address them is available in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

ITEM 9 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics and Personal Trading

Black Coral has adopted a Code of Ethics (“Code”) under Rule 204A-1 of the Investment Advisers Act of 1940, as amended (“Advisers Act”) designed to provide that Black Coral personnel comply with the applicable federal securities laws and place the interests of clients first in conducting personal securities transactions. The Code imposes certain restrictions on securities transactions in the personal accounts of Black Coral personnel to help avoid any actual or potential conflicts of interest. Black Coral personnel may buy and sell securities or other investments for their personal accounts, including investments in pooled investment vehicles that are sponsored, managed or advised by the Black Coral, and may also take positions that are the same as, different from, or made at different times than, positions taken from Black Coral. Black Coral will provide a copy of the Code to clients or prospective clients upon request.

Additionally, Black Coral personnel are subject to firm wide policies and procedures regarding confidential and proprietary information, information barriers, private investments, outside business activities and personal trading. In addition, Black Coral prohibits its employees from accepting gifts and entertainment that could influence or appear to influence their business judgment. This generally includes gifts of more than \$100 or meals and other business-related entertainment that may be considered lavish or extraordinary and therefore raise a question or appearance of impropriety.

ITEM 10 – BROKERAGE PRACTICES

Broker-Dealer Selection and Directed Brokerage

Generally, investment advisory services provided by Black Coral that are offered through the Fidelity Platform or Charles Schwab Platforms are available only to clients that have directed Black Coral to execute transactions for their accounts through Fidelity

or Charles Schwab, respectively. As a result, substantially all transactions for advisory accounts are executed by the Fidelity or Charles Schwab, as applicable. The Execution Charges on the Fidelity Platform and Charles Schwab Platform may differ and result in lower process on one platform versus the other.

Through the Fidelity Platform and Charles Schwab, Fidelity and Charles Schwab provide Black Coral with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's and Charles Schwab's institutional platform services that assist Black Coral in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Broker-dealers are selected by the strength of the broker-dealer's market brand and good standing presence in the market place and industry. Further, selection criteria include: client internet interface; client front and back office servicing; location and availability of retail and local branches; availability of client and advisor support and services, including research; number and availability of mutual funds, third-party managers and other equity and bond services; client fees, costs and commissions paid to the broker-dealer by the client and by third-party managers and mutual funds; level of the broker-dealer's conflicts of interest in the mutual funds, third-party managers and equity and bond investments made available.

Fidelity and Charles Schwab also offers other services intended to help Black Coral manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third-party service providers who provide a wide array of business related services and technology with whom Black Coral may contract directly.

Fidelity nor Charles Schwab generally does not charge Black Coral separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or Charles Schwab or that settle into Fidelity or Charles Schwab accounts.

Research and Other Soft Dollar Benefits

Black Coral Financial Advisors, LLC does not currently receive soft dollar benefits in connection with client securities transactions which comply with restrictions and uses per the Securities and Exchange Commission rules. To the extent Black Coral receives soft dollar benefits in the future, Black Coral would receive the soft dollar benefit

because it would not have to produce or pay for the research products or services and would receive these benefits as part of the Fidelity and Charles Schwab association. Fidelity may provide Black Coral with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Exchange Act. There may be a conflict of interest created by the presence of these soft-dollars and the client may maintain assets on any platform, including Fidelity and Charles Schwab, without Black Coral receiving any such benefit and without any impact to the client's comprehensive financial planning program deliverable. All funds received are used to provide research and support to all clients, irrespective of their asset holdings or custodianship.

Black Coral does not knowingly cause, request or create the need or impact of mark-ups or mark-downs or additional costs from third-party managers and the amount of funds received herein are not, to the knowledge of Black Coral, related to any such actions. Clients are free to use any broker-dealer platform, to the extent that clients elect to use Fidelity or Charles Schwab clients make this decision on their own. Black Coral will describe the platforms equally and allow the clients to weigh and determine their use. Black Coral has no procedure to direct client transactions to a particular broker- dealer. Black Coral receives no referrals or other accounts or clients from Fidelity or Charles Schwab.

ITEM 11 – REVIEW OF ACCOUNTS

Review of Financial Plans and Accounts

Financial Plan Reviews

As part of Comprehensive Financial Counseling, Black Coral periodically reviews each of their individual client's allocations of assets among various asset groups held with at Fidelity and Charles Schwab and, to the extent Black Coral is aware, away from these platforms.

Client Account Reviews

Black Coral regularly monitors the trading in advisory accounts for, among other things, transactions that are outside a client's investment guidelines. Black Coral supervisory personnel, either alone or in consultation conducts periodic review advisory accounts managed by Black Coral to monitor various factors that may affect the management of the Advisory Account. Quarterly performance reports are generated for all these accounts and these reports are generated by a third-party organization. Black Coral reviews itself and with the client these reports reviewing the risk and return parameters and statistics as well as costs and continue appropriateness of the investment manager and the allocation thereto depending upon any and all changes to the client's situation, goals and

needs. The investment managers risk and return parameters and holdings are compared to broad based, generally accepted and appropriate index bench marks per each type of investment management style.

Client Reports

As part of Comprehensive Financial Counseling, Black Coral may use historical market data to periodically prepare client asset allocations with respect to risk and return. Qualified custodians of client account may provide written reports on a monthly or periodic basis, depending on the terms of the separate agreement. Such reports generally include, among other things, an activity summary, a summary of holdings that includes a portfolio valuation, and the change in value of the client's account during the reporting period. Quarterly performance reports are generated for all these accounts and these reports are generated by a third-party organization. Black Coral reviews itself and with the client these reports reviewing the risk and return parameters and statistics as well as costs and continue appropriateness of the investment manager and the allocation thereto depending upon any and all changes to the client's situation, goals and needs. The investment managers risk and return parameters and holdings are compared to broad based, generally accepted and appropriate index bench marks per each type of investment management style.

ITEM 12 – CLIENT REFERRALS AND OTHER COMPENSATION

With respect to investment advice provided through financial counseling and seminars programs, Black Coral 's fee may be paid in whole or in part by the client's employer as the organization sponsoring Black Coral 's services.

ITEM 13 – CUSTODY

Clients generally custody their funds and securities in their accounts on the Fidelity Platform of Charles Schwab Platform Clients also may enter into separate custody agreements to maintain client funds and securities with other qualified custodians. In addition, under the Advisers Act, Black Coral or its affiliates may be “deemed” to have custody of certain types of assets that are not otherwise custodied with a third-party custodian, but over which Black Coral has a limited power of attorney for bill pay services for clients.

A qualified custodian will send quarterly, or more frequent, account statements directly to clients and as such clients will receive account statements from the broker-dealer, bank or other qualified custodian and clients should carefully review those statements. Client will also receive account statements from Black Coral as discussed herein and

clients are urged to compare the account statements they receive from the qualified custodian with those they receive from you.

ITEM 14 – INVESTMENT DISCRETION

Black Coral accepts discretionary investment authority to manage advisory account on a client's behalf and at the client's risk. Clients who choose to grant Black Coral discretion are required to sign an investment advisory agreement and complete account opening documentation appointing and authorizing Black Coral to supervise and direct the investment of assets in the advisory account. Black Coral's discretionary authority is limited by the terms of its investment advisory agreements and the written investment guidelines including reasonable restrictions agreed to in writing between Black Coral and each client.

ITEM 15 – VOTING CLIENT SECURITIES

Proxy Voting Policies – No Authority

Unless Black Coral expressly agrees in writing, Black Coral does not accept authority, or give any advice to clients about how, to vote client securities including for securities held in advisory accounts. Black Coral does not accept authority for proxy voting and clients are encourage to contact their custodians to ensure that the clients receive their proxies and other solicitations. Proxy and other solicitations will come directly from the custodians.

ITEM 16 FINANCIAL INFORMATION

Under Rule 206(4)-4 of the Investment Advisers Act of 1940, investment adviser are required to disclose certain financial information about their business practices that might serve as material to the investor's decision in choosing an investment adviser.

As of the date of this filing, Black Coral Financial Advisers does not require the pre-payment of any fees, in excess of 90 days, or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.