

CROSS STATE FINANCIAL GROUP, LLC

WRAP PROGRAM BROCHURE (APPENDIX 1 TO FIRM BROCHURE)

November 22, 2019

***Cross State Financial Group, LLC
8424 S. Yukon St.
Littleton, CO 80128
Phone: (800) 621-6974***

Website: www.crossstatefinancial.com

This wrap fee program brochure provides information about the qualifications and business practices of Cross State Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at (800) 621-6974. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Cross State Financial Group, LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Firm is 282011.

ITEM 2 - MATERIAL CHANGES

We have no material changes in this brochure to report since our last annual update on February 15, 2019.

ITEM 3 - TABLE OF CONTENTS

Item 2. Material Changes	2
Item 3. Table of Contents	3
Item 4. Services, Fees and Compensation	4
Item 5. Account Requirements and Types of Clients	6
Item 6. Portfolio Manager Selection and Evaluation	6
Item 7. Client Information Provided to Portfolio Managers	10
Item 8. Client Contact with Portfolio Managers	10
Item 9. Additional Information	10
Item 10. Requirements for State Registered Advisers	15

ITEM 4 - SERVICES, FEES AND COMPENSATION

SERVICES

We offer ongoing portfolio management services on a wrap account basis. Our management services are based on the individual goals, objectives, time horizon, and risk tolerance of each client. We evaluate the current investments of each client with respect to their risk tolerance levels and time horizon. We will request discretionary authority from clients allowing us to select securities and execute transactions without permission from the client prior to each transaction.

FEES

We charge an annual management fee for portfolio management that is based on the client's assets under management according to the following schedule:

Custodian Reported Value	Annual Management Fee
\$0 to \$500,000	1.50%
\$500,000.01 to \$1,000,000	1.35%
\$1,000,000.01 to \$3,000,000	1.25%
\$3,000,000.01 to \$5,000,000	1.15%
\$5,000,000.01 to \$10,000,000	1.05%
Above \$10,000,000	1.00%

The fees will be collected as negotiated with our client, on a monthly or quarterly basis in arrears. The fees are negotiable based upon the size of the account and the total amount of the client's assets we manage. The initial billing periods fees will be prorated for the number of days' services were rendered during the billing period. The fees are calculated on the account's custodian reported value as of the last business day of each billing period. The client may elect to have the fees directly deducted from the account. Please see Item 15 for additional details related to direct fee deduction.

TERMINATION OF SERVICES

A client may terminate the portfolio management services for any reason at any time and, within the first five (5) business days after signing the contract, without any cost or penalty for full refund. Thereafter, the contract may be terminated at any time by giving ten (10) days written notice to us at Cross State Financial Group, LLC, 8424 S. Yukon St., Littleton, CO 80128. Upon termination, the management fee will be prorated for the number of days services were rendered during the last billing period and an invoice will be sent to the client.

Other Types of Fees and Charges

Program accounts will incur additional fees and charges from parties other than us as noted below. These fees and charges are in addition to the advisory fee paid to us. We do not share in any portion of these third party fees.

TD Ameritrade, as the custodian and broker-dealer providing brokerage and execution services on program accounts, will impose certain fees and charges. TD Ameritrade notifies clients of

these charges at account opening and makes available a list of these fees and charges on its website at www.tdameritrade.com. TD Ameritrade will deduct these fees and charges directly from the client's program account.

There are other fees and charges that are imposed by other third parties that apply to investments in program accounts. Some of these fees and charges are described below.

- If a client's assets are invested in mutual funds or other pooled investment products, clients should be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay us the advisory fee with respect to those assets. Most of the mutual funds available in the program may be purchased directly. Therefore, clients could generally avoid the second layer of fees by not using our management services and by making their own investment decisions.
- Certain mutual funds impose fees and charges such as contingent deferred sales charges, early redemption fees and charges for frequent trading. These charges may apply if client transfers into or purchases such a fund with the applicable charges in a program account.
- Although only no-load and load-waived mutual funds can be purchased in a program account, client should understand that some mutual funds pay asset based sales charges or service fees (e.g., 12b-1 fees) to the custodian with respect to account holdings.
- If client holds a variable annuity as part of an account, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor.

Further information regarding fees assessed by a mutual fund, or variable annuity is available in the appropriate prospectus, which is available upon request from us or from the product sponsor directly.

Other Important Considerations

- The advisory fee is an ongoing wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. The advisory fee may cost the client more than purchasing the program services separately, for example, paying an advisory fee plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the type and size of the account, historical and or expected size or number of trades for the account, and number and range of supplementary advisory and client-related services provided to the client.
- The advisory fee also may cost the client more than if assets were held in a traditional brokerage account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a program account.

- When we recommend the program to the client, we receive compensation as a result of the client's participation in the program. This compensation includes the advisory fee and may include other compensation, such as bonuses, awards or other things of value offered by TD Ameritrade to us or our associated persons. The amount of this compensation may be more or less than what we would receive if the client participated in other TD Ameritrade programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. Therefore, we may have a financial incentive to recommend a program account over other programs and services.
- The investment products available to be purchased in the program can be purchased by clients outside of a program account, through broker-dealers or other investment firms not affiliated with us.

ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Our advisory services are offered to individuals, high net worth individuals, charities and retirement plans. Typically, we require \$50,000 to open an account. However, the minimum can be waived at our discretion.

ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION

In our wrap program, we do not select, review or recommend other investment advisors or portfolio managers. We, through our investment adviser representatives ("IAR"), are responsible for the investment advice and management offered to clients. For more information about our IAR's managing the account, client should refer to the Brochure Supplement (ADV Part 2B) for the associated person, which client should have received along with this Brochure at the time client opened the account. By having our IARs act as the portfolio managers to the program there is a conflict of interest because our evaluation of the IARs as the managers may not be objective. We attempt to mitigate this conflict of interest by holding our IARs to the same standards that we would hold a non-affiliated portfolio manager. Additionally, we attempt to mitigate this conflict of interest to the best of our ability by placing the client's interest ahead of our own through our fiduciary duty.

A description of our wrap fee program can be found above in Item 4. It is important to note that our services are tailored to the client's stated goals, needs and objectives. We allow them to impose restrictions on investment in certain securities or types of securities. All restrictions must be presented to us in writing. Additionally, our investment management services are only offered in a wrap fee program and our investment adviser representatives are the portfolio managers. Therefore, we receive a portion of the wrap fee because we provide portfolio management services. The wrap fee does not include performance-based fees.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

When we create a client's portfolio, we use a combination of fundamental analysis and tactical asset allocation.

Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's *actual* business and its future prospects. The analysis is performed on historical and present data. On a broader scope, one can perform fundamental analysis on industries or the economy as a whole. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. The risk associated with fundamental analysis is that despite that appearance that a security is undervalued, it may not rise in value as predicted.

Tactical Asset Allocation is an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors. This strategy is designed to allow portfolio managers to create extra value by taking advantage of certain situations in the marketplace. It is a moderately active strategy because portfolio managers return to the portfolio's original strategic asset mix when desired short-term profits are achieved.

Our analysis of securities and advice relating thereto may be based upon information obtained from financial newspapers and magazines, research materials prepared by others, corporate ratings services, and annual reports, prospectuses and filings made with the Securities and Exchange Commission. We may also utilize computer models for performance analysis, asset allocation and risk management.

All investments bear different types and degrees of risk and **investing in securities involves risk of loss that Clients should be prepared to bear**. While we recommend various securities that are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Clients need to ask questions about risks they do not understand. We would be pleased to discuss them.

We strive to render our best judgment on behalf of our Clients. Still, we cannot assure or guarantee clients that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment advisor but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

Additionally, the risks associated with asset allocation include the chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.

We use several types of securities in our clients' accounts. These securities may include, but are not limited to, the following: bonds and other corporate debt instruments; exchange traded funds; mutual funds; government debt instruments including treasury bills and municipal securities; stocks; preferred stock; high yield debt; domestic fixed income; options; unit investment trusts; traded and non-traded real estate investment trusts; limited partnerships; managed futures;

money market funds and cash. A client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. Each Portfolio's performance is subject to the following risks:

- **Credit risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of an investment and/or the future purchasing power of a client's assets.
- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates.
- **International investing risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.
- **Leverage Risk:** Using derivatives to increase the Fund's combined long and short exposure creates leverage, which can magnify the Fund's potential for gain or loss and, therefore, amplify the effects of market volatility on the Fund's share price.
- **Liquidity risk:** One common risk associated with private placements and REITs is a relative lack of liquidity due to the highly-customized nature of the investment. Moreover, the full extent of returns is often not realized until maturity. Because of this, these products tend to be more of a buy-and-hold investment decision rather than a means of getting in and out of a position with speed and efficiency.
- **Manager risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **Options Risk:** Like other securities - including stocks, bonds, and mutual funds - options carry no guarantees, and a person must be aware that it is possible to lose all of the principal he or she invests, and sometimes more. As an option holder, a person risks the entire amount of the premium he or she paid. But as an options writer, a person takes on a much higher level of risk. For example, if a person writes an uncovered call, he or she faces unlimited potential loss, since there is no cap on how high a stock price can rise. However, since initial options investments usually require less capital than equivalent stock positions, potential cash losses as an options investor are usually smaller than if someone bought the underlying stock or sold the stock short. The exception to this general rule occurs when an option is used to provide leverage; percentage returns are often high, but it is important to remember that percentage losses can be high as well.

- **Portfolio Concentration:** Accounts that are not diversified among a wide range of types of securities, countries or industry sectors may have more volatility and are considered to have more risk than accounts that are invested in a greater number of securities because changes in the value of a single security may have more of a significant effect, either negative or positive. Accordingly, portfolios are subject to more rapid changes in value than would be the case if the client maintained a more diversified portfolio.
- **REIT Market Risk:** REITs have no control over market and business conditions and are vulnerable to market risk and slow down. External conditions beyond its control may reduce the value of properties that it acquires, the ability of tenants to pay rent on a timely basis, the amount of rent that can be charged and the ability of borrowers to make loan payments on a timely basis or at all. Cash available for distribution to stockholders can be affected by the tenant's inability to make rents or pay loans.
- **REIT Tenant Strength Risk:** REIT's revenues are highly dependent on lease payments from its properties and interest payments on the loans it makes. Defaults by tenants or borrowers reduce the cash available for repayment of outstanding debt and distribution to investors. If tenants have multiple properties or borrowers have multiple loans it increases the risk of more than one property or loan going bad if that tenant or borrower defaults. More than one property could become vacant or loans are in default because of the financial failure of one tenant or borrower. Multiple vacancies or defaults can reduce a REITs cash receipts and funds available for distribution and could decrease the value of the affected properties.
- **REIT Qualifying Risk:** REITs must be organized and operated, and intend to continue to be organized and to operate, in a manner that will enable them to qualify as a REIT for federal income tax purposes. No assurance can be given that a REIT qualifies or will continue to qualify as a REIT. If a REIT fails to qualify as a REIT, it will be subject to federal income tax at regular corporate rates. If a REIT fails to qualify the funds available for distribution to investors would be greatly reduced for each of the years involved.
- **Risks Associated with Leveraged ETF:** A leveraged ETF seeks to generate a return that is a multiple (usually 2X or 3X or -2X or -3X) of its benchmark index's performance over a specific, pre-set time period indicated in the fund's prospectus. That time period is also referred to as the "rebalancing period", and it is generally only one day, although it could be for a longer time period such as a month. As a result, the returns for these types of ETFs can differ significantly from that of their benchmark index, over periods lasting longer than the rebalancing period because of the compounding of returns. Generally, the longer the security is held, the more likely the returns of the Leveraged product will differ from the long term return of the index. Although potential returns are increased by leveraging, so are the potential losses, so these securities carry significant risk. As a result, leveraged and inverse ETFs are intended only for sophisticated investors with an aggressive tolerance for risk.

- **Risks Associated with Inverse ETF:** An inverse ETF attempts to mimic the inverse, or opposite, of its stated benchmark. For example, an inverse S&P 500 ETF would attempt to deliver the opposite of the S&P 500's daily performance, net of fees. These funds, also called "short ETFs or Bear ETFs" are often in an attempt to profit from a downturn in a given market, sector, or index, or to hedge against a potential loss in their portfolio. Although an inverse ETF does not explicitly use leverage to magnify the intended return, they can suffer from the same compounding effects as the leveraged long and leveraged short ETFs.
- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

VOTING CLIENT SECURITIES

We do not vote proxy solicitations for securities held in client accounts. All proxy solicitations are forwarded directly to the client from the account's custodian. The client may contact us with

ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

In our wrap program, we are responsible for account management; there is no separate portfolio manager involved. We obtain the necessary financial data from the client and assist the client in setting an appropriate investment objective for the account. We obtain this information by having the client complete an advisory agreement and other documentation. Clients are encouraged to contact us if there have been any changes in the client's financial situation or investment objectives or if they wish to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions. Client should be aware that the investment objective selected for the program is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time. Client should further be aware that achievement of the stated investment objective is a long-term goal for the account.

ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS

Client should contact us at any time with questions regarding program account.

ITEM 9 - ADDITIONAL INFORMATION

DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events within the past 10-years that would be material to your evaluation of us or the integrity of our management. We have no information applicable to this Item because we have not been the subject of any administrative, civil, criminal or regulatory proceedings.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Our associates are registered representatives and investment adviser representatives of Crown Capital Securities, LP, a registered Broker/Dealer, Member FINRA and SIPC ("Crown").

Through Crown, they may sell securities or other investment advisory services to our clients for a commission or fee. This causes a conflict of interest because the commissions and fees from Crown give them a financial incentive to recommend and sell clients the products and services. Our associates attempt to mitigate this conflict of interest to the best of their ability by placing the client's best interests through their fiduciary duty and by informing clients that they always have the right to decide whether to purchase the recommended securities purchases or investment advisory services and through whom to purchase. Additionally, it is our policy that an advisory fee cannot be charged on top of any commission based product that was purchased through one of our investment adviser representatives within the last 24 months. Furthermore, we will not charge an advisory fee on any non-traded product, such as a non-traded real estate investment trust, the was purchased through one of our investment adviser representatives.

Our associates are independent insurance agents. They may recommend the purchase of insurance to our clients. This other business activity pays our associates commissions that are separate from the fees described above. This is a conflict of interest because the commissions give them a financial incentive to recommend and sell clients the insurance products. However, our associates attempt to mitigate any conflicts of interest to the best of their ability by placing the client's best interests through their fiduciary duty and by informing clients that they are never obligated to purchase recommended insurance through any associate.

Our associates may be affiliated with tax preparation and consulting services and they may recommend this services to our clients. This other business activity pays our associates fees that are separate from the fees described above. This is a conflict of interest because the fees give them a financial incentive to recommend the tax preparation and consulting service. However, our associates attempt to mitigate any conflicts of interest to the best of their ability by placing the client's best interests through their fiduciary duty and by informing clients that they are never obligated to use recommended tax preparation and consulting services through any associate.

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

DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust that all employees must follow. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons and it describes its high standard of business conduct, and fiduciary duty to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

MATERIAL INTEREST IN SECURITIES

We do not have a material interest in any securities.

INVESTING IN AND RECOMMENDING THE SAME SECURITIES

Our associates may buy or sell for their personal account(s) securities identical or opposite to those recommended to clients. This causes a conflict of interest because the associates can trade ahead of client trades. We mitigate the conflict of interest in two ways. First, our Code of Ethics requires employees to: 1) report personal securities transactions on at least a quarterly basis, and 2) provide us with a detailed summary of certain holdings (both initially upon commencement of employment and quarterly thereafter) in which such Employees have a direct or indirect beneficial interest. The reports are reviewed to ensure associates do not trade ahead of client accounts. Second, we generally require client transactions to be placed ahead of associate's personal trades. The records of all associates' personal and client trading activities are reviewed and made available to regulators to review on the premises.

REVIEW OF ACCOUNTS

Our owners review our client's portfolio holdings monthly. Each investment adviser representative meets with their individual clients typically on semi-annual basis. However, depending on the client's preference more or less meetings can be conducted during each year. Additional reviews may be conducted depending on market conditions, economic or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move or inheritance). Clients typically receive a monthly statement unless there is no activity in an account in which case a quarterly statement will be provided.

In addition to the above-mentioned reviews, we provide written financial plans to clients who engage us for financial planning services. Additionally, clients who are federal and state employees receive a written retirement analysis based on their pension. Finally, we also provide performance reports with the custodian's quarterly statements.

CLIENT REFERRALS AND OTHER COMPENSATION

We do not pay nor receive compensation for referrals. However, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice it gives to its Clients, although we receive economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our

related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit its Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop its business enterprise. The benefits received by us or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, our endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by us or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

We will also receive from TD Ameritrade certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services include Morningstar.

TD Ameritrade provides the Additional Services to us in its sole discretion and at its own expense, and we do not pay any fees to TD Ameritrade for the Additional Services. We and TD Ameritrade have entered into a separate agreement (Additional Services Addendum”) to govern the terms of the Additional Services.

Our receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to us, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with us, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, we may have an incentive to recommend to its Clients that the assets under management by us be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Our receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

FINANCIAL INFORMATION

Registered investment advisors are required in this Item to provide clients with certain financial information or disclosures about our financial condition. Because of our business model, we do not have to produce a balance sheet or other financial information. Also, we have no financial commitment that impairs our ability to service our clients. Finally, we have not been the subject of a bankruptcy proceeding.

CUSTODY

We do not maintain custody of client assets or accounts. Your assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer (e.g. TD Ameritrade), mutual fund company or transfer agent. However, the client will be asked to authorize us with the ability to deduct fees directly from the client’s account. This authorization will be to deduct our management fee only. We will send the custodian an invoice specifying the amount of the management fee to be deducted from the client’s account and also the client an invoice

specifying and itemizing the fee. The itemization includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee. The client's custodian will also send quarterly statements to the client showing all distributions for the client's account, including the management fee. We urge clients to carefully review such statements.

BROKERAGE PRACTICES

We participate 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"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

In our wrap program, we require the client to use TD Ameritrade as the sole and exclusive broker-dealer to execute transactions in the account. Clients should understand that not all advisors require their clients to direct brokerage. By directing brokerage to TD Ameritrade, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money.

We may receive support services and/or products from TD Ameritrade, which assist us to better monitor and service program accounts maintained at TD Ameritrade. These support services and/or products may be received without cost, at a discount, and/or at another negotiated rate, and may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products used by us in furtherance of our investment advisory business operations

Clients do not pay more for services because of this arrangement. There is no corresponding commitment made by us to TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific securities because of the arrangement.

We may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be

deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. We may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If we do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

ITEM 10. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

We have two executive officers (management persons), Steven Iversen and Danielle Mutz. Their biographical information is provided in the attached Brochure Supplement documents.

As disclosed in Item 9 Steven Iversen and Danielle Mutz are registered representative of Crown Capital Securities, LP. Also, found in Item 9, Steven Iversen discloses that he is an independent insurance agent and may receive commissions for the sale of insurance products. Additionally, Mr. Iversen is an enrolled agent with a tax preparation company. Please see the respective sections for any conflicts of interest associated with these activities.

We are required to disclose additional information if charging performance-based fees, have any relationship or arrangement with an issuer of securities, or were ever found liable in an arbitration, civil, self-regulatory organization or administrative proceeding. As none of these apply to us, our management persons or investment adviser representatives have no information to disclose regarding these matters.