

Compass Retirement Group, LLC  
doing business as



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## Form ADV Part 2A Brochure

December 13, 2024

This brochure provides information about the qualifications and business practices of Compass Retirement Group LLC, which does business as Compass Retirement Solutions (“CRS”). If you have any questions about the contents of this brochure, please contact us at 314-373-1598. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. CRS is a Registered Investment Advisor. Registration as an Investment Advisor with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about CRS is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as an IARD number. The IARD number for CRS is CRD #282420.

## **I T E M   2 - M A T E R I A L   C H A N G E S**

### **MATERIAL CHANGES SINCE THE LAST ANNUAL UPDATE**

Compass Retirement Group LLC (“CRS”) was established as a new Registered Investment Advisor in April 2024 with the Securities and Exchange Commission (“SEC”), under the rules and regulations of the US Investment Advisers Act of 1940, as amended (the “Advisers Act”). CRS will provide updates to this document annually within 120 days of the close of the fiscal year, or more frequently in the event of material changes.

The following is a list of material changes since our previous annual amendment filing on March 28, 2024:

- Effective, May 2024, the CCO is Airionne Solanke.
- Item 4: Advisory Services: The Firm added descriptions regarding their use of their Platform Provider, Model Managers, Consulting Services including estate planning service providers and Wrap Fee Program. The Firm added disclosure regarding rollover recommendations.
- Item 5: Fees and Compensation: The Firm added fee descriptions regarding their use of Platform Provider, Model Managers, Consulting Services and Wrap Fee Program.
- Item 7: Types of Clients: Our Firm does impose an account minimum of \$250,000 to initiate the advisory and asset management services, however, this can be waived upon the discretion of the firm.
- Item 9: Disciplinary Information: In April 2021, without admitting or denying the allegations, Mr. Mitchell entered into a Consent Order with the State of Pennsylvania. The order alleges Mr. Mitchell was engaged in the business of effecting or attempting to effect purchases or sales of global notes issued by 1 Global Capital, LLC (“Global Capital”) in the state of Pennsylvania. The Global Capital notes were neither registered nor exempt from registration. Mr. Mitchell was neither registered, nor exempt from registration, in willful violation of section 301 (A) of the Pennsylvania Securities Act of 1972. The Final Consent Agreement and Order required Mr. Mitchell to pay \$15,000 over the course of six months.
- Item 10: Other Financial Industry Activities and Affiliations: The Firm added commonly owned affiliations of Compass Retirement Group, LLC, managing member, Marvin L. Mitchell.
- Item 12: Brokerage Practices: The Firm removed reference to TD Ameritrade and added description of the brokerage and custodian services of Charles Schwab & Co., Inc.
- Item 14: Client Referrals and Other Compensation: The Firm added descriptions of non-compensation referral arrangements.
- Item 15: Custody: The Firm added Standing Letters of Authorization and the seven exemptions.

### **ANNUAL UPDATE**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. Each year, we will ensure that you receive a summary of any material changes to this and subsequent brochures by April 30th. We will further provide you with our most recent brochure at any time at your request, without charge. You may request a brochure by contacting us at 314-373-1598.

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## ITEM 4 - ADVISORY BUSINESS

This Disclosure document is being offered to you by Compass Retirement Group LLC (“Firm” or “CRS”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are an investment management firm located in St. Louis, Missouri and Atlanta, Georgia. CRS became a registered investment adviser in November 2015. Marvin L. Mitchell is the Managing Member of the firm. May 2024, Airionne Solanke became Chief Compliance Officer of the firm.

We are dedicated to assisting clients to build, grow, manage, and safeguard their wealth. Our aim is to offer guidance that enables clients to realize their financial objectives effectively. Specializing in investment for financial independence, which includes retirement investing and income replacement strategies. We tailor our services to meet your specific needs. We offer an initial complimentary meeting upon our discretion; however, our investment advisory services commence only after you and CRS execute an Investment Management Agreement, ensuring a clear and mutual understanding of our partnership.

### INVESTMENT MANAGEMENT SERVICES

Before we enter an Adviser-Client relationship, we may offer a complimentary general consultation to discuss services available, give a prospective client time to review services desired, and determine whether a relationship might benefit the client. Investment advisory services begin only after we and the client formalize the relationship with a properly executed agreement. For accounts that engage in the Firm’s investment management services, we advise advisory accounts on a discretionary basis. Once we have determined a profile and investment plan with a client, we will execute the day-to-day transactions without seeking prior client consent but within the expected investment guidelines discussed with the client. Account supervision is guided by the client’s written profile and investment plan. We primarily allocate client assets among various equities, Exchanged Traded Funds (“ETFs”), cash, no-load or load-waived mutual funds in accordance with their stated investment objectives. All of which are considered asset allocation categories for the client’s investment strategy.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on client needs, we develop a client’s personal profile and investment plan. We then create and manage the client’s investments based on that agreed upon financial plan. It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals. Once we have determined the types of investments to be included in a client’s portfolio and have allocated the assets, we provide ongoing investment review and management services.

### USE OF MODEL MANAGERS AND PLATFORM PROVIDER

Our Firm utilizes a platform provider and their associated model managers. The determination to use a particular model or models is based on our advisor’s recommendation considering each client’s individual investment goals, objectives and mandates. The Firm has entered into an agreement with Orion Portfolio Solutions, LLC investment management platform (“Orion”), an SEC registered investment advisor, to provide asset management services that include:

- model money managers
- portfolio managers
- strategists

As part of the Orion program, Clients provide the Firm and Orion discretion to select third party, non-affiliated investment managers (“Model Managers”) to design and manage model portfolios.

CRS has access to Orion’s reporting systems, client relationship management systems and workflow systems to utilize their technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Orion will have access to client information, but Orion will not serve as an investment advisor to the Firm’s Clients. CRS and Orion are non-affiliated companies. Orion charges the Firm an annual fee for each account administered by Orion. Refer to Item 5, of this brochure, regarding compensation of the Orion program. Clients

receive continuous investment advice based on investment objective, risk profile and time-horizon. While investment strategies and recommendations are tailored to the individual needs of each client, they consist of an asset allocation consistent as outlined in Item 8 of this Brochure. Your agreement with CRS will include the authorization to utilize Third Party Model Managers and to replace (i.e., hire and fire) Model Managers on a discretionary basis.

We will not enter into an investment advisor relationship with a prospective client whose investment objectives are considered incompatible with the Firm's investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines. However, Clients have the ability to impose reasonable restrictions on the management of their accounts, including the ability to instruct the Firm not to purchase certain securities.

We do have limited authority to direct the Custodian to deduct the Firm's investment advisory fees from accounts, but only with the appropriate written authorization from clients.

Clients may engage us to advise on certain investment products that are not maintained at the Firm's recommended custodian, such as life insurance, annuity contracts, and assets held in employer sponsored retirement plans. Where appropriate, we provide advice about any type of held away account that is part of a client portfolio.

Clients are advised and are expected to understand that the Firm's past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in Client accounts.

We review the performance of the Model Managers on at least a quarterly basis. More frequent reviews may be triggered by changes in Manager's management, performance or geopolitical and macroeconomic specific events.

## **FINANCIAL PLANNING SERVICES**

Financial planning services are included as part of our investment management services. Through the financial planning process, our team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team will offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax (CRS is not a tax services Firm and you should always consult a tax professional), charitable, cash flow, wealth transfer, and family legacy objectives. Our team partners with our client's other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing your plan may include:

**PERSONAL:** We can review family records, budgeting, personal liability, estate information and financial goals.

**TAX & CASH FLOW:** We can analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability. Keep in mind, CRS is not a tax services Firm and clients should consult a tax professional for specific tax questions and advice.

**INVESTMENTS:** We can analyze investment alternatives and their effect on the client's portfolio.

**INSURANCE:** We can review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

**RETIREMENT:** We can analyze current strategies and investment plans to help the client achieve his or her retirement goals.

**DEATH & DISABILITY:** We can review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.

**ESTATE:** Some personnel that are appropriately licensed can assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

## **CONSULTING SERVICES**

We also provide clients investment advice on a more-limited basis on one or more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice or any other business advisory / consulting services for equity or debt investments in privately held businesses. In these cases, clients will be required to select their own investment managers, custodian, and/or insurance companies for the implementation of consulting recommendations. If client needs include brokerage and/or other financial services, we will recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies, or other financial professionals ("Firms"). Consulting clients must independently evaluate these Firms before opening an account or transacting business and have the right to effect business through any firm they choose. Clients have the right to choose whether or not to follow the consulting advice provided.

CRS uses Wealth.com to provide a holistic estate planning solution that allows clients to create, manage and administrate estate plans through a technology platform. Wealth.com facilitates an optional hybrid model where clients can start the process digitally, but still receive a human experience by consulting live with one of the local Trust and Estate attorneys. CRS purchases an annual license and access to the Wealth.com platform. Wealth.com allows clients to create estate planning documents to action the legacy objectives that our firm will design together. Once referred to Wealth.com, client enters the Wealth.com platform and is guided through the document creation process by Wealth.com, not by CRS. Though advisors can refer clients to the Wealth.com platform, CRS and its advisors are not involved with the drafting of the legal documents and do not have the ability to make selections for the client. With Advisor only access to Wealth.com, CRS and its advisor representatives can receive read-only visibility of the client account. This allows our advisors to assist clients in completing the process of creating and monitoring for optimization opportunities.

## **DISCLOSURE REGARDING ROLLOVER RECOMMENDATIONS**

When a client or prospect leaves an employer, they typically have five options regarding their existing retirement plan: (i) leave the money in the former employer's plan, if permitted; (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted; (iii) rollover to a brokerage (self-directed) Individual Retirement Account ("IRA"); (iv) roll over the assets to an advisory IRA; or (v) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Clients contemplating rolling over retirement funds to an IRA for us to manage are encouraged to first speak with their CPA or tax attorney.

There is an inherent financial incentive for your IAR to recommend that you roll over your assets into one or more accounts, because the enrollment will generate compensation based on the increase in your IAR's total assets under management. We address these financial compensation conflicts by including the disclosure of the conflicts in this brochure and by requiring your IAR to recommend investment advisory programs, investment securities, and services that are in the best interest of each client based upon the client's investment objectives, risk tolerance, financial situation, and cost. As fiduciaries of the Investment Advisers Act of 1940, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way CRS makes money creates some conflicts with your interests. Clients are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if the client does complete the rollover, the client is under no obligation to have the assets in an account managed by us.

## **WRAP FEE PROGRAM**

CRS is the sponsor and manager of Wrap Program (the "Program"), a wrap fee program (i.e., an arrangement where brokerage commissions and transaction costs are absorbed by the Firm). The fee covers transaction costs or commissions resulting from the management of your accounts, however, most investments trade without transaction fees today, so our payment of these and other incidental custodial related expenses should not be considered a significant factor in determining the relative value of our wrap program. Participants in the Program may pay a higher aggregate fee than if brokerage services are purchased separately. Additional information about the Program is available in CRS's Wrap Brochure, which appears as Part 2A Appendix 1 of the Firm's Form ADV.

## **ASSETS**

As of December 31, 2023 CRS has \$99,385,949 of discretionary assets under management and \$0 of non-discretionary assets under management.

## ITEM 5 - FEES AND COMPENSATION

### INVESTMENT MANAGEMENT & FINANCIAL PLANNING SERVICES

Clients receive investment advisory services through CRS. Clients of CRS are billed an all-in fee which encompasses:

- CRS investment advisory fee
- Orion Portfolio Solutions “platform fee”
- Model manager, if applicable.
- ETF strategist fees, if applicable.

The fee paid to CRS for investment management services may be as low as 0.65% and will not exceed 1.50%, annually. This fee will be defined in the CRS investment advisory agreement. Additionally, clients will execute a Client Agreement directly with the third-party platform provider, Orion Portfolio Solutions, which will outline fees billed by the Platform Provider. Orion Platform Solution fees may be as low as 0.20% and will not exceed 1.00%. Please refer to Orion Platform Solutions Client Application & Addendum. Note, outside of the CRS investment management fee, our firm does not share in the Orion Platform Solution fees.

Fees will be calculated as a percentage of assets under management (AUM) based on the average daily balance of account(s) and deducted from Client account(s) in arrears on a monthly basis.

Although CRS has established a maximum annual fee as stated above, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These factors include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among others. The specific annual fee schedule is identified in the contract between the adviser and the client. Fees are assessed on all assets under management, including securities, cash and money market balances. When invested in a managed model there is typically a small percentage invested in cash as part of that model. That “cash” will be included in the AUM fee. Cash held in other types of accounts, such as a stand-alone money market, a “contribution distribution sleeve” or “non-managed” account (used for purposes of scheduled distributions or flexibility of withdrawals) is “not” included in the fee.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. The client will provide written authorization permitting the fees to be paid directly from the account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to client indicating all the amounts deducted from the account including our advisory fees. Refer to Item 15 for details. Clients are encouraged to review your account statements for accuracy.

Either CRS or the client may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination. Upon termination, the client is responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client’s death or disability, CRS will continue management of the account until we are notified of client’s death or disability and given alternative instructions by an authorized party.

In no case are our fees based on, or related to, the performance of your funds or investments.

### FINANCIAL PLANNING FEES

Financial planning services are included within the Firm’s investment advisory services for no additional fee.

### CONSULTING SERVICES FEES

CRS provides consulting services for clients who need advice on a limited scope of work. CRS will negotiate consulting fees with you. Fees may vary based on the extent and complexity of the consulting project. You will be billed monthly as services are rendered. You should be aware that lower fees for comparable services may be available from other sources.

### OTHER ADDITIONAL FEES

**Advisory Fees in General:** In addition to the Wrap Fee paid to CRS, clients may also incur certain charges imposed by other third parties, trust companies, banks and other financial institutions (collectively “Financial Institutions”).

These additional charges may include fees charged by the margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, regulatory fees assessed by SEC and/or FINRA odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap program fee that is charged by the Firm.

**Mutual Fund Fees:** Mutual funds often offer multiple share classes with differing internal fee and expense structures. CRS endeavors to identify and utilize the share class with the lowest internal fee and expense structure for each mutual fund. However, instances occur in which the lowest cost share class is not used. These instances include but are not limited to: Instances in which a certain custodian has a share class available that has a lower internal fee and expense structure than is available for the same mutual fund at other custodians. In such instances, CRS will select the lowest cost share class available at the custodian that holds your account even though a lower cost share class is available at another custodian. Instances in which the custodian that holds your account offers others a share class with a lower internal fee and expense structure than what is available to CRS at the same custodian. In such instances, CRS will select the lowest cost share class that the custodian makes available. This situation sometimes occurs because the custodian places conditions on the availability of the lower cost share class that CRS has determined are not appropriate to accept due to additional costs imposed by said conditions. Instances in which a share class with a lower internal fee and expense structure becomes available after the share class you hold was purchased. CRS periodically monitors this circumstance. However, a share class with a lower internal fee may become available between the time of your purchase and CRS's next review. Instances in which a share class with a lower internal fee and expense structure than the share class you currently hold is available at your custodian, but where CRS is prevented by either the custodian or the fund sponsor from converting to the lower cost share class. Additionally, CRS does not convert to a share class with a lower internal fee and expense structure if the conversion will cause a taxable event or other expense/cost to you that negates the advantage of the lower cost share class.

**Non-Transaction Fee (NTF) Mutual Funds** When selecting investments for our clients' portfolios we might choose mutual funds on your account custodian's Non-Transaction Fee (NTF) list. This means that your account custodian will not charge a transaction fee or commission associated with the purchase or sale of the mutual fund. The mutual fund companies that choose to participate in your custodian's NTF fund program pay a fee to be included in the NTF program. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of our Firm. When we decide whether to choose a fund from your custodian's NTF list or not, we consider our expected holding period of the fund, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

**Regulatory Fees** To facilitate the execution of trades, regulatory Trading Activity Fees (TAF) are added to applicable sales transactions. The Securities and Exchange Commission (SEC) regulatory fee is assessed on client accounts for sell transactions, and a FINRA fee is assessed on client accounts for sell transactions, for certain covered securities. This fee is not charged by our Firm but is assessed and collected by the custodian. The Custodian that our Firm uses, is a FINRA member firm. These fees recover the costs incurred by the SEC and FINRA, for supervising and regulating the securities markets and securities professionals. The fee rates vary depending on the type of transaction and the size of that transaction. For more information on the SEC and FINRA fees, please visit their websites: [www.sec.gov/fast-answers/answerssec31htm.html](http://www.sec.gov/fast-answers/answerssec31htm.html) or [www.finra.org/industry/trading-activity-fee](http://www.finra.org/industry/trading-activity-fee).

## ITEM 6 - PERFORMANCE - BASED FEES AND SIDE - BY - SIDE MANAGEMENT

CRS does not engage in performance-based fees. No supervised person is compensated by performance-based fees. Performance-based fees may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk.

## ITEM 7 - TYPES OF CLIENTS

CRS works with the following types of clients: individuals, high net-worth individuals



Our Firm does impose an account minimum of \$250,000 to initiate advisory and asset management services, however, this can be waived upon the discretion of the firm.

## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

While investment strategies and recommendations are tailored to the individual needs of each client, they consist of an asset allocation consistent with:

- **Income with Capital Preservation.** Designed as a longer-term accumulation account, this investment objective is considered generally the most conservative. Emphasis is placed on generation of current income with minimal risk of capital loss. Lowering the risk generally means lowering the potential income and overall return.
- **Income with Moderate Growth.** This investment objective emphasizes generation of current income with a secondary focus on moderate capital growth.
- **Growth with Income.** This investment objective emphasizes modest capital growth with some focus on generation of current income.
- **Growth.** This investment objective emphasizes achieving high long-term growth and capital appreciation. There is little focus on generation of current income.
- **Aggressive Growth.** This investment objective emphasizes aggressive growth and maximum capital appreciation, with no focus on generation of current income. This objective has a very high level of risk and is for investors with a longer time horizon.

### METHODS OF ANALYSIS

While there may be some similarities in the portfolios created by our Firm, we understand that every client has their own unique planning needs. We have the ability and flexibility to create portfolios to help our client achieve their goals. We may utilize the following forms of analysis:

**Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Quantitative Analysis:** We use mathematical ratios and other performance appraisal methods in an attempt to obtain more accurate measurements of a model manager's investment acumen, idea generation, consistency of purpose and overall ability to outperform their stated benchmark throughout a full market cycle. Additionally, we perform periodic measurements to assess the authenticity of returns. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Technical Analysis:** We use this method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance. Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of

the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

**Asset Allocation:** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

## **MUTUAL FUND SHARE CLASS**

Generally, our Firm does not recommend mutual funds holdings in our client portfolios/investment strategies, however, some clients may hold mutual funds in their accounts for various reasons including tax strategies or legacy assets. If we need to render advice on mutual fund holdings, our Firm will purchase institutional share classes of those mutual funds. The institutional share class generally has the lowest expense ratio. The expense ratio is the annual fee that all mutual funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for a fund's expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Some fund families offer different classes of the same fund, and one share class may have a lower expense ratio than another share class. These expenses come from client assets which could impact the client's account performance. Mutual fund expense ratios are in addition to our fee, and we do not receive any portion of these charges. If an institutional share class is not available for the mutual fund selected, the adviser will purchase the least expensive share class available for the mutual fund. As share classes with lower expense ratios become available, we may use them in the client's portfolio, and/or convert the existing mutual fund position to the lower cost share class. Clients who transfer mutual funds into their accounts with our Firm would bear the expense of any contingent or deferred sales loads incurred upon selling the product. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits, or tax harvesting). All mutual fund expenses and fees are disclosed in the respective mutual fund prospectus.

## **RISK OF LOSS**

A client's investment portfolio is affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic conditions, changes in laws and national and international political circumstances.

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. CRS will assist Clients in determining an appropriate strategy based on their tolerance for risk.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account(s). CRS shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform CRS of any changes in financial condition, goals or other factors that may affect this analysis.

Our methods rely on the assumption that the underlying companies within our security allocations are accurately reviewed by the rating agencies and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investors should be aware that accounts are subject to the following risks:

**MARKET RISK** - Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will

fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

**FOREIGN SECURITIES AND CURRENCY RISK** - Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**CAPITALIZATION RISK** - Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services. These stocks have historically been more volatile than the stocks of larger, more established companies.

**INTEREST RATE RISK** - In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.

**CREDIT RISK** - Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus, impact the fund's performance.

**LIQUIDITY RISK:** Liquidity risk is the risk that there may be limited buyers for a security when an investor wants to sell. Typically, this results in a discounted sale price in order to attract a buyer.

**DEFAULT RISK** - A default occurs when an issuer fails to make payment on a principal or interest payment.

**EVENT RISK** - Event risk is difficult to predict because it may involve natural disasters such as earthquakes or hurricanes, as well as changes in circumstance from regulators or political bodies.

**POLITICAL RISK** - Political risk is the risk associated with the laws of the country, or to events that may occur there. Particular political events such as a government's change in policy could restrict the flow of capital.

**DURATION RISK** - Duration is a way to measure a bond's price sensitivity to changes in interest rates. The duration of a bond is determined by its maturity date, coupon rate, and call feature. Duration is a method to compare how different bonds will react to interest rate changes. If a bond has a duration of five (5) years it means that the value of that security will decline by approximately five percent (5%) for every one percent (1%) increase in interest rates.

**REINVESTMENT RISK:** Reinvestment risk is the risk that future interest and principal payments may be reinvested at lower yields due to declining interest rates.

**TAX RISK:** For municipal bonds, depending on the client's state of residence, the interest earned on certain bonds may not be tax-exempt at the state level. Also, changes in federal tax policy may impact the tax treatment of interest and capital gains of an investment.

**REGULATORY RISK:** Market participants are subject to rules and regulations imposed by one or more regulators. Changes to these rules and regulations could have an adverse effect on the value of an investment.

**CONCENTRATION RISK:** The risk of amplified losses that may occur from having a large portion of your holdings in a particular investment, asset class or market segment relative to your overall portfolio.

**SECURITIES LENDING RISK** - Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**EXCHANGE-TRADED FUNDS** - ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets, and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**CYBERSECURITY RISK** - In addition to the Material Investment Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at our Firm or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our

clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

**COMMODITIES RISK** - Exposure to commodities in Adviser Clients accounts is in non-physical form, such as ETFs or mutual funds, there are risks associated with the movement in gold prices and the ability of the fund or trust manager to respond or deal with those price movements. There also may be initial charges as well as annual management fees associated with the fund or trust.

**EXCHANGE-TRADED FUND ("ETF") AND MUTUAL FUND RISK** - Investments in ETFs and mutual funds have unique characteristics, including, but not limited to, the ETF or mutual fund's expense structure. Investors of ETFs and mutual funds held within CRS client accounts bear both their CRS portfolio's advisory expenses and, indirectly, the ETF's or mutual fund's expenses. Because the expenses and costs of an underlying ETF or mutual fund are shared by its investors, redemptions by other investors in the ETF or mutual fund could result in decreased economies of scale and increased operating expenses for such ETF or mutual fund. Additionally, the ETF or mutual fund may not achieve its investment objective. Actively managed ETFs or mutual funds may experience significant drift from their stated benchmark.

## **ITEM 9 - DISCIPLINARY INFORMATION**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. You may visit <http://www.advisorinfo.sec.gov> to review each investment advisors' individual disclosures or CRS's disclosures.

In April 2021, without admitting or denying the allegations, Mr. Mitchell entered into a Consent Order with the State of Pennsylvania. The order alleges Mr. Mitchell was engaged in the business of effecting or attempting to effect purchases or sales of global notes issued by 1 Global Capital, LLC ("Global Capital") in the state of Pennsylvania. The Global Capital notes were neither registered nor exempt from registration. Mr. Mitchell was neither registered, nor exempt from registration, in willful violation of section 301 (A) of the Pennsylvania Securities Act of 1972. The Final Consent Agreement and Order required Mr. Mitchell to pay \$15,000 over the course of six months.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

CRS does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities. Neither our Firm nor any of its management persons are registered or have an application pending to register as a broker-dealer.

### **INSURANCE**

Some of our IARs are also licensed insurance agents and sell various life insurance products through our affiliated entity, Mitchell Retirement Group, LLC, a licensed insurance agency which does business as Compass Retirement Solutions, LLC is a commonly owned entity where Marvin L. Mitchell is 100% Managing Member.

There is a conflict of interest to clients because our Firm and our IARs receive compensation (commissions, trails, or other compensation from the respective insurance products) as a result of effecting insurance transactions for clients. Commissions generated by insurance sales do not offset regular advisory fees. The Firm and the IAR have an incentive to recommend insurance products and this incentive creates a conflict of interest between your interests and our Firm. We mitigate this conflict by disclosing to clients they have the right to decide whether or not to engage the services of our IARs. Further, clients should note they have the right to decide whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through our IAR or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary

responsibility to place the client's interests first and have established policies in this regard to avoid any conflicts of interest.

The Firm has taken steps to manage these conflicts of interest by requiring that each investment advisor representative:

- only recommend insurance and annuities when in the best interest of the client and without regard to the financial interest of the Firm and its investment advisor representative.
- not recommend insurance and/or annuities which result in its investment advisor representative and/or the Firm receiving unreasonable compensation related to the recommendation; and,
- disclose material conflicts of interest related to insurance or annuity recommendations.

#### **OTHER INDUSTRY AFFILIATIONS**

Marvin L. Mitchell is the Managing Member of Path to Prosperity, LLC, which does business as Wealth Creators. This commonly owned, affiliated entity, serves as a professional business and life coaching organization that seeks to help business professionals develop business and personal growth strategies. This activity is separate and distinct from the activities of CRS, and the services of Path to Prosperity are not actively marketed to CRS Clients. Clients of CRS are permitted to be Clients of Path to Prosperity if they so choose.

Marvin L. Mitchell is managing member of the following entities used for his personal real estate investments:

- CRE Solutions, LLC
- APTS in STL, LLC
- MGMT in STL, LLC

Marvin L. Mitchell is managing member of Mamba Marketing Group, Inc., a separate, personal bookkeeping entity used for marketing expenses.

Marvin L. Mitchell is the managing member of Mitchell Enterprise Group, LLC, a related firm by common ownership and control. Mitchell Enterprise Group, LLC owns and manages the building located at 10326 Old Olive Street Road St. Louis, MO 63141. This building serves as the headquarters location for CRS.

Marvin L. Mitchell is managing member of the following dormant entities: P2P, LLC and Digital Domination, LLC.

#### **DISCLOSURE OF CONFLICTS OF INTEREST**

Our management personnel and investment advisor representatives may engage in outside business activities. As such, these individuals can receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of investment advisory Clients. Clients are not under any obligation to engage these individuals when considering the implementation of these outside recommendations. The implementation of any or all recommendations is solely at the discretion of the Client. Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates inherent conflicts of interest in the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm, investment advisors, and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees.
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees.
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives, and liquidity needs.
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances.
- we require that our investment advisors and employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed.
- we periodically review these outside employment activities of the investment advisor to verify that any conflicts of interest continue to be properly disclosed by the investment advisor; and
- we educate our investment advisors regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

CRS has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our investment advisors and employees, including compliance with applicable federal securities laws. CRS and its investment advisors owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. Our Code of Ethics includes policies and procedures for the reporting and review of personal securities transactions reports by our Firm's investment advisors and employees. In addition, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and recordkeeping provisions.

CRS's Code of Ethics further includes the Firm's policy prohibiting the use of material non-public information. While we do not believe that we have any access to non-public information, all investment advisors are reminded that such information may not be used in a personal or professional capacity. CRS and its investment advisors are prohibited from engaging in principal transactions and agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our investment advisors will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing investment advisors to invest for their own accounts. Our Firm and/or investment advisors or employees may buy or sell for their personal accounts securities that are identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. It is the expressed policy of our Firm that no investment advisor may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such investment advisor(s) from benefiting from transactions placed on behalf of advisory accounts.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. Clients may request a copy by calling us at 314-373-1598.

## **ITEM 12 - BROKERAGE PRACTICES**

We generally recommend that clients utilize the custody, brokerage and clearing services of Fidelity Institutional Wealth Services ("Fidelity") and Charles Schwab & Co., Inc ("Charles Schwab") (defined in this document as "Custodian(s)") for investment management accounts. We may recommend other custodians beside Fidelity and Charles Schwab based on your needs and the services offered.

We recommend that you establish accounts with these Custodians to maintain custody of your assets and to effect trades for your accounts. Some of the products, services and other benefits provided by our Custodians benefit us and may not benefit you or your account. Our recommendation/requirement that you place assets with one of these Custodians may be based in part on benefits they provide us, and not solely on the nature, cost or quality of custody and execution services provided by the custodian. The Custodian we utilize makes available to us other products and services that benefit us but may not benefit your accounts in every case.

Custodian(s) provides various benefits and payments to registered investment advisers that are new to the Custodial platform to assist the firm with the costs associated with starting a Registered Investment Advisory firm and transitioning the business to Custodian (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, initial registration, compliance assistance, legal assistance, and technology expenses incurred as a result of the firm transitioning to Custodian's custodial platform. The amount of the Transition Assistance payments is often significant in relation to the overall revenue earned or compensation received by the Firm.

The receipt of Transition Assistance by CRS creates conflicts of interest relating to CRS's advisory business because it creates a financial incentive for CRS to recommend that its clients maintain their accounts with Custodian. CRS attempts to mitigate these conflicts of interest by evaluating and

recommending that clients use Custodian's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by CRS. CRS considers Custodian's execution capability when recommending or requiring that clients maintain accounts with Custodian. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in an account at Custodian.

Some of the other Custodian's products and services assist us in managing and administering your accounts. These include software and technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from your account, and assist with back-office functions, recordkeeping and reporting.

We are independently owned and operated and not affiliated with these Custodians. They provide us with access to their institutional trading and custody services. These services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

You have the right to not act upon any recommendations, and if you elect to act upon any recommendations, you have the right to not place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions. The Custodian's execution quality may be different than other broker-dealers.

Many of these services generally may be used to service all or a substantial number of our accounts. The Custodians also make available to us other services intended to help us manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the custodians may make available, arrange and/or pay for these services rendered to us by third parties. The Custodians may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

While as a fiduciary, we endeavor to act in your best interest, our recommendation that you maintain your assets in accounts at our recommended custodians may be based in part on the benefit to us or the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a conflict of interest. IARs endeavor at all times to put the interest of our clients first as a part of their fiduciary duty.

There is no direct link between our participation in a Custodian's platform and the investment advice we give to our clients. We/you may receive economic benefits through our participation in the platforms that may not be available to other advisors. 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 Adviser 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. The Custodians may also have paid for business consulting and professional services received by some of our related persons.

Some of the products and services made available by the Custodians through the program may benefit

us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at the Custodians. Other services made available by the Custodians are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to the Custodians. As part of our fiduciary duties to clients, we endeavor at all times to act in the best interest of our clients. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of the Custodians for custody and brokerage services.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Custodian's execution quality may be different than other Custodians.

Our Firm annually reviews the relationship between our Custodian, CRS and the client in order to determine if the custodial relationship is in the best interest of the client.

#### **BROKERAGE FOR CLIENT REFERRALS**

Our Firm does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.

#### **AGGREGATION AND ALLOCATION OF TRANSACTIONS**

We, or our third party money managers, may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

- When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash
- With respect to sale allocations, allocations may be given to accounts low in cash
- We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates
- We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block
- If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed
- If a pro-rata allocation of a potential execution would result in a de Minimis allocation in one or more accounts, we may exclude the account(s) from the allocation
- We will document the reasons for any deviation from a pro-rata allocation.

#### **TRADE ERRORS**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole, and we will absorb any loss resulting from the trade error if the error was caused by the Firm. If the error is caused by the custodian, the custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.



## **DIRECTED BROKERAGE**

We do not routinely recommend, request, or require that you direct us to execute transactions through a specified broker-dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

## **I T E M 1 3 - R E V I E W O F A C C O U N T S**

### **ACCOUNT REVIEWS AND REVIEWERS**

Our Investment Adviser Representatives will monitor investment management client accounts on a regular basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax, or financial status. Geopolitical and macroeconomic specific events may also trigger reviews. Clients are urged to notify us of any changes in your personal circumstances.

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for. Ongoing management of the financial planning portal is maintained by our Firm.

### **STATEMENTS AND REPORTS**

Performance reports from our Firm are generated for clients during annual reviews or as requested.

The Custodian for the individual client's account will also provide clients with an account statement at least quarterly. Clients are urged to compare the reports provided by CRS against the account statements the clients receive directly from your account custodian.

Financial Planning clients will receive access to an online financial planning portal. Additional reports will not typically be provided unless otherwise contracted for.

## **I T E M 1 4 - C L I E N T R E F E R R A L S A N D O T H E R C O M P E N S A T I O N**

At times, we will receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are the result of informal expense sharing arrangements in which product sponsors will underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Receipt of these travel and marketing expense reimbursements are dependent upon specific sales quotas, the product sponsor reimbursements are made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control this conflict by always basing investment decisions on the individual needs of our clients. Our Firm and our supervised persons do not accept or receive compensation based on the sale of securities. Supervised people can be compensated for obtaining prospective clients through marketing initiatives.

CRS may be asked to recommend a financial professional, such as an attorney, accountant or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our firm. Our Firm does recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

It is CRS's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **ITEM 15 - CUSTODY**

CRS does not have physical custody of any client funds and/or securities and does not take custody of client accounts at any time. Client funds and securities will be held with a bank, broker dealer, or other independent qualified custodian.

### **DEDUCTION OF ADVISORY FEES**

CRS is deemed to have limited custody of client funds and securities whenever CRS is given the authority to have fees deducted directly from client accounts. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. Account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from CRS. When the client has questions about their account statements, the client should contact CRS or the qualified custodian preparing the statement.

Our authority to direct client requests, utilizing standing instructions, for wire transfer of funds for first-party money movement and third-party money movement (checks and/or journals, ACH, Fed-wires). The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisors Act of 1940 ("Advisors Act"). The letter provided guidance on the Custody Rule as well as clarified that an Advisor who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our Firm has adopted the following safeguards in conjunction with our custodians. The firm has elected to meet the SEC's seven conditions to avoid the surprise custody exam, as outlined below:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Individual advisory clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. Clients are urged to compare the account balance(s) shown on their account statements to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account.

## **ITEM 16 - DISCRETION**

Before CRS can buy or sell securities on your behalf, the client must first sign our discretionary management agreement, a limited power of attorney, and/or trading authorization forms. By choosing to do so, the client may grant the Firm discretion over the selection and number of securities to be purchased or sold for the client's account(s) without obtaining your consent or approval prior to each transaction. Clients may impose limitations on discretionary authority for investing in certain securities or types of securities (such as a product type, specific companies, specific sectors, etc.), as well as other limitations as expressed by the client. Limitations on discretionary authority are required to be provided to the IAR in writing. Please refer to the "Advisory Business" section of this Brochure for more information on our discretionary management services.

## **ITEM 17 - VOTING CLIENT SECURITIES**

As a matter of CRS policy, CRS does not vote proxies on behalf of clients. Therefore, it is your responsibility to vote for all proxies for securities held in your Account. The client will receive proxies directly from the qualified custodian or transfer agent; we will not provide the client with the proxies. Although we do not vote client proxies, if the client does have a question about a particular proxy feel free to contact the custodian directly.

## **ITEM 18 - FINANCIAL INFORMATION**

As an advisory firm that maintains discretionary authority for client accounts, CRS is also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. CRS has no such financial circumstances to report. Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six (6) months in advance of services rendered. Therefore, we are not required to include a financial statement. CRS has not been the subject of a bankruptcy petition at any time during the past ten (10) years.