

**Item 1 Cover Page**

# **CYPRESS CAPITAL WEALTH MANAGEMENT LLC**

## **Form ADV Part 2 Brochure**

This Brochure (the “Brochure”) provides information about the qualifications and business practices of Cypress Capital Wealth Management LLC (“Cypress Capital,” the “Adviser,” the “Firm,” “we,” “us” or “our”). If you have any questions about the contents of this Brochure, please contact us at (734) 228-0460. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Additional information about Cypress Capital also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Cypress Capital is 312340.

Cypress Capital is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its Clients.

### **Cypress Capital Wealth Management**

3040 Lohr Road  
Ann Arbor, MI 48108  
Phone: (734) 228-0460  
[www.cypresscapitalwealth.com](http://www.cypresscapitalwealth.com)

**Brochure Prepared on October 28, 2024**

## Item 2 Material Changes

This Brochure contains updated information about Cypress Capital's business since the last update in August 2024. This section of the Brochure will address only those "material changes" that have been incorporated since the last delivery of this document on the Securities and Exchange Commission's ("SEC") public disclosure website (IAPD).

- Revisions to Item 4: *Advisory Business*. The Firm updated disclosure language in connection with *Private Fund and Alternative Investment Managers*. Cypress Capital offers Clients access to certain alternative investments. Clients should understand that an alternative investment strategy is subject to a number of risks and is not suitable for all investors.
- Revisions to Item 14: *Client Referrals and Other Compensation*. The Firm updated disclosure language in connection with providing compensation or other economic benefit to persons or entities for providing referrals based on the specific parameters and relationships described in the Firm's Form ADV.
- Revisions to Item 5: *Fees and Compensation*. The Firm updated disclosure language in connection with its billing practices. In certain situations, as agreed upon in the Client Agreement, the Firm may bill in advance, or based on a flat fixed fee, rather than in arrears, or other methods. In addition, the Firm updated disclosures related to Private Fund and Alternative Investment Managers and associated fees.

Cypress Capital will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, the Firm's Brochure may be requested by contacting Mrs. Elizabeth Housler, Chief Compliance Officer via email at [ehousler@cypresscapitalwealth.com](mailto:ehousler@cypresscapitalwealth.com). Additional information about Cypress Capital is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Cypress Capital is 312340. The SEC's web site also provides information about any persons affiliated with Cypress Capital who are registered, or are required to be registered, as investment adviser representatives of Cypress Capital.

## **IMPORTANT NOTE ABOUT THIS DISCLOSURE BROCHURE**

*This Disclosure Brochure is not:*

- *an offer or agreement to provide advisory services to any person*
- *an offer to sell nor a solicitation of any offer to purchase any security*
- *an offer to sell interests or shares (or a solicitation of an offer to purchase interests or shares) in any pooled investment vehicle managed or represented by Cypress Capital or any of its affiliates*
- *a complete discussion of the features, risks or conflicts associated with any security*

As required by the Investment Advisers Act of 1940, as amended (“the “Advisers Act”), Cypress Capital provides this Brochure to current and prospective Clients and may also, in its discretion, provide this Brochure to current or prospective investors or shareholders in a pooled investment vehicle, together with other relevant governing documents, such as the pooled investment vehicle’s prospectus and statement of additional information, private placement memoranda, limited partnership agreement or offering circular, prior to, or in connection with, such persons’ investment in a pooled investment vehicle.

Although this publicly available Brochure describes investment advisory services and products of Cypress Capital Wealth Management persons who receive this Brochure (whether or not from Cypress Capital Wealth Management) should be aware that it is designed solely to provide information about Cypress Capital Wealth Management as necessary to respond to certain disclosure obligations under the Investment Advisers Act of 1940, as amended. As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about each investment product is included in relevant governing documents, certain of which may be provided to current and eligible prospective investors only by Cypress Capital Wealth Management. To the extent that there is any conflict between discussions herein and similar or related discussions in any governing documents, the relevant governing documents shall govern and control.

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## **Item 4 Advisory Business**

Cypress Capital, a Michigan limited liability company was founded in January 2021 and is based in Ann Arbor, Michigan. The Firm is registered with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940, as amended ("Advisers Act"). Cypress Capital's registration with the SEC became active on June 20, 2023. Northstar Bank ("Northstar"), a banking subsidiary of Michigan based Northstar Financial Group, Inc. acquired Cypress Capital in July 2022. Northstar retains ownership of the Cypress Capital. Mr. James Housler, Accredited Wealth Management Advisor ("AWMA") founded the Firm and retains Founder and President position. Northstar Bank shares common ownership with Gemini Group, a Bad Axe based manufacturing conglomerate. Northstar Bank and its affiliate banks operate 17 branches in Michigan and eight branches throughout central Florida. Mrs. Elizabeth Housler serves as the Firm's Chief Compliance Officer ("CCO").

### **Advisory Services**

Cypress Capital's portfolio management and investment advisory services are offered to individuals, high net worth individuals, foundations, charitable organizations, trusts, 401(k) plans and corporations (each a "Client" and collectively, "Clients"). Furthermore, the types of Clients to which Cypress Capital provides investment management services are more fully disclosed in Cypress Capital's Form ADV Part 1 and summarized in *Item 7 – Types of Clients* of this Brochure.

Cypress Capital's fully customized portfolios are designed to assist Client's achieve their desired investment goals while minimizing risk. In addition, the Firm may refer Clients to third-party, non-affiliated companies offering services such as tax and estate planning, and insurance to create an all-encompassing financial picture for Client's and their family. Cypress Capital may charge the Client a fee for its assistance with providing documents to any third-party tax preparation company. Cypress Capital may also offer to cover the cost of third-party tax preparation as part of its negotiated Advisory Fee (see Item 5 - Fees and Compensation for more information on the fees charged). Please note Cypress Capital does not provide tax preparation and filing or accounting services ("tax services") or legal services to Clients. Clients are urged to consult with a tax professional for any and all tax advice.

The reach of Cypress Capital extends far beyond traditional wealth management. We advise Clients on venture capital, private equity offerings, buying and selling businesses, and more. Cypress Capital has the intellectual capital resources to address any and all financial decisions you face and execute strategies in the most efficient manner possible.

When the Company serves as investment adviser, it enters into a written investment management agreement with each of its advisory Clients. Investment management agreements include provisions related to each Client's management fees, investment strategy, investment guidelines, termination rights, proxy voting and sub-adviser, if applicable. The Firm's standard investment management contract generally permits either party to terminate immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given and the unearned fee refunded to the Client's account, or any earned fee will be billed to the Client. Upon termination, a Client is responsible for monitoring the securities in his or her 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, Cypress Capital 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 summary, Cypress Capital provides the following advisory services:

- Discretionary Investment Management, except as otherwise set forth in any applicable Client Agreement. Our Clients authorize Cypress Capital to investigate, purchase, and sell on behalf of Client, various securities and investments. Cypress Capital is authorized to execute purchases and sales of securities on Client's behalf without consulting Client regarding each sale or purchase. Client may, however, terminate the discretionary authority of Cypress Capital immediately upon written notice.
- Non-Discretionary Investment Management. In these types of Client Agreements, Cypress Capital is authorized to execute purchases and sales of securities only after securing permission from Client regarding each transaction.

Furthermore, Cypress Capital tailors its investment advice to the specific needs of its Clients and is subject to applicable investment restrictions set forth in the governing documents for the applicable Clients. Cypress Capital works with Clients to formulate appropriate and agreed-upon investment guidelines. Cypress Capital works with Clients to determine the feasibility of monitoring proposed restrictions and limitations. Clients who restrict their investment portfolios may experience potentially worse performance results than Clients with unrestricted portfolios even for Clients with similar objectives. Cypress Capital reserves the right to reject or terminate any Client that seeks restrictions which Cypress Capital is unable to implement, or which may fundamentally alter the investment objective of the Client.

#### *Investment, Wealth Management and Supervision Services*

We manage advisory accounts on a discretionary and non-discretionary basis. For discretionary accounts, 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. Account supervision is guided by the written profile and investment plan of the Client. We may accept accounts with certain restrictions, if circumstances warrant. If deemed appropriate, the Adviser may recommend an independent sub-adviser for third party money management services of Advisors client accounts to manage all or a portion of a Client's portfolio. In those circumstances, the Sub-Adviser manages the assets based upon the parameters provided by Adviser. Adviser signs a Sub-Advisory Advisory Agreement with the applicable money manager that outlines the terms of the investment management services to be provided by the sub-adviser and the investment objectives of the client's account.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate, to meet a Client's financial objectives. We trade these portfolios based on the combination of our market views and a Client's objectives, using our investment process. We primarily allocate Client assets among various equities, Exchanged Traded Funds ("ETFs"), no-load or load-waived mutual funds, or alternative investments in accordance with their stated investment objectives. Notwithstanding, if a non-discretionary relationship is in place, calls will be placed presenting the recommendation made and only upon your authorization will any action be taken on a Client's behalf. Where appropriate, we provide advice about any type of legacy position held in Client portfolios. Typically, these are assets that are ineligible to be custodied at our primary custodian. Clients will engage us to advise on certain investment products that

are not maintained at their primary custodian, such as variable life insurance, annuity contracts, and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

#### *Tax, Estate Planning and Insurance*

Cypress Capital may refer Clients to third-party, non-affiliated companies offering tax preparation services, including CPA's, attorneys, and insurance professionals. Cypress Capital may charge the Client a fee for its assistance with providing documents to the third-party tax preparation company. Cypress Capital may also offer to cover the cost of third-party tax preparation as part of its negotiated Advisory Fee (see *Item 5 - Fees and Compensation* for more information on the fees charged).

Cypress Capital does not provide tax preparation and filing or accounting services ("tax services") or legal services to Clients. Certain Advisors may provide tax services to Clients; however, these services are provided as an outside business activity that is not affiliated with or conducted through Cypress Capital and such services are not subject to the supervision or oversight of Cypress Capital or any of its affiliates. Clients are not obligated in any way to hire the Advisor to provide tax services. Clients are urged to consult with a tax professional for any and all tax advice.

Cypress Capital Risk Management, LLC ("Cypress Capital Risk Management") is a licensed insurance agency with the State of Michigan. Cypress Capital Risk Management and Cypress Capital may share employees. The two firms are non-affiliated. Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates conflicts of interest that impair 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 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 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 monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to Clients.

Clients are never obligated or required to purchase insurance products through Investment Adviser Representatives who are licensed. This does create a material conflict of interest in that it provides an incentive for Mr. Housler to recommend insurance products based on compensation received rather than on a Client's needs.

Our firm has 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 affiliated Insurance agency. Commissions generated by insurance sales do not offset advisory fees. 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 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.

#### *Sub-Advisory Services*

Cypress Capital also utilizes the services of third-party sub-advisor(s) for the management of Client accounts. If deemed appropriate, the Adviser may recommend an independent sub-adviser for third party money management services of Advisors client accounts to manage all or a portion of a Client's portfolio. In those circumstances, the Sub-Adviser manages the assets based upon the parameters provided by Adviser. Adviser signs a Sub-Advisory Advisory Agreement with the applicable money manager that outlines the terms of the investment management services to be provided by the sub-adviser and the investment objectives of the client's account.

In this scenario, investment advice and trading of securities will only be offered by or through the chosen sub- advisor. Our Firm will not offer advice on any specific securities or other investments in connection with this service. Prior to referring Clients, our Firm will provide initial due diligence on the sub-advisor and conduct ongoing reviews of their management of Client accounts.

To assist in the selection of an appropriate sub-advisor, our Firm will gather Client information pertaining to the financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account. The services provided by the selected sub-advisor include:

- Assessment of the Client's investment needs and objectives
- Implementation of an asset allocation
- Delivery of suitable style allocations (e.g., Large Cap, Small Cap, Growth, etc.)
- Facilitation of portfolio transactions
- Ongoing monitoring of investment vehicles performance
- Review of Client accounts for adherence to policy guidelines and asset allocation
- Recommendations for account re-balancing, if and when necessary
- Reporting of Client portfolio performance and progress
- Engaging selected investment vehicles on behalf of the Client

Our Firm will periodically review sub-advisor's reports provided to the Client at least annually. We will contact Clients from time to time in order to review their financial situation and objectives; communicate



information to sub-advisor as warranted; and assist the Client in understanding and evaluating the services provided by the sub-advisor. Clients will be expected to notify our Firm of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing. Our Firm takes actions on behalf of the Client to hire or fire money managers used in the implementation of a Client's investment plan and execution of the Advisory Agreement with our Firm. Therefore, the Firm has the discretionary authority to hire or fire the manager or to allocate assets among managers without obtaining the Client's consent.

#### *ERISA, Retirement Plan Consulting*

Cypress Capital provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include investment options, plan structure and participant education. All retirement plan consulting services shall be in compliance with the applicable state laws regulating pension consulting services. This applies to client accounts that are retirement or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

#### *Private Fund and Alternative Investment Managers*

Cypress Capital offers Clients access to certain alternative investments. Clients should understand that an alternative investment strategy is subject to a number of risks and is not suitable for all investors. Alternative investments are generally classified as an investment other than a traditional stock, bond, mutual fund or exchange traded fund. Alternative investments include hedge funds, private equity funds, venture capital funds, private real estate funds and other private investments. Investing in alternative investments is only intended for experienced and sophisticated investors who are willing to bear the high economic risk associated with such an investment. By themselves, alternative investments do not constitute a balanced investment program. Clients should carefully review and consider potential risks before investing, including carefully reviewing all disclosure documents, private offering memoranda, prospectuses, or other offering materials provided by Cypress Capital and any separate manager or third-party service provider of an alternative investment. Many alternative investment offering documents are not reviewed or approved by federal or state regulators.

#### **Regulatory Assets Under Management**

As of December 31, 2023, Cypress Capital managed approximately \$12,070,176 of discretionary regulatory assets under management and \$137,399,100 of non-discretionary regulatory assets under management, totaling \$149,469,276 in regulatory assets under management. The SEC has adopted a uniform method for advisers to calculate assets under management for regulatory purposes which it refers to as an adviser's "regulatory assets under management." Regulatory assets under management are generally an adviser's gross assets, i.e., assets under management without deduction for outstanding indebtedness or other accrued but unpaid liabilities. Cypress Capital reports its regulatory assets under management in Item 5 of

Part 1 of Form ADV which you can find at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 5 Fees and Compensation

Our Firm charges a fee ("Advisory Fees") as compensation for providing Investment Management services on your account. These services include advisory services, trade entry, investment supervision, and other account maintenance activities. Our custodian charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for details.

The Adviser's annual fee for investment management services shall be calculated based upon the amount of money Client invests, or assets under management ("AUM") and are applied to the household asset value on a pro rata basis. Unless otherwise instructed by the Client, we will aggregate related Client accounts for the purpose of determining the account size and annualized fee. The common practice is often referred to as "house-holding" portfolios for fee purposes and may result in lower fees than if fees were calculated on portfolios separately. Our method of house-holding accounts for fee purposes looks at the overall family dynamic and relationship. All advisory fees are negotiable. Fees are billed quarterly in arrears and are calculated based on the average daily balance of the account(s) during the billable quarter. Our maximum investment advisory fee is 2.50%, or we may negotiate a lower advisory fee. Please note, if Client has invested in the Spartan Long/Short strategy, Client authorizes Cypress Capital to charge management fees and performance-based fees specifically outlined in the Client Agreement. Please see *Item 6 – Performance-Based Fees and Side-By-Side Management* for specific information related to the Spartan Long/Short Strategy.

In certain situations, as agreed upon in the Client Agreement, Cypress Capital may bill in advance, based on a flat fixed, rather than in arrears, or other methods. When calculating Advisory Fees, securities held in Client accounts are valued by the applicable portfolio accounting system to manage the Client's account. As a result, different Clients with the same security may pay different Advisory Fees depending on the valuation source of the securities in their specific Advisory Account. Cypress Capital sends the custodian an invoice for quarterly fee debits, or Clients submit payment by check. Clients are encouraged to review the quarterly statement they receive from their account custodian showing the amount of investment management fees that have been debited from their Advisory Account. For new Advisory Accounts and for new assets added after the start of a quarter, Advisory Accounts will either be billed when the assets are available to be managed by Cypress Capital, or in arrears after the end of the quarter. The dollar threshold for crediting and debiting fees may change over time, at Cypress Capital's discretion.

Furthermore, Advisory Fees are assessed on all assets under management, including securities, cash, and money market balances. Margin account balances are not included in the fee billing. Some strategies will invest all or some of its portfolio in cash and cash equivalents. In such instances, the Firm's maximum investment advisory fee is 50 basis points on Client assets under management (cash and cash equivalents). The Client Agreement shall outline the Adviser's annual fee, as agreed with Client.

Adviser does not have a minimum account balance. No increase in the annual fee shall be effective without prior written notification to the Client. Furthermore, the Client authorizes the Custodian of the assets, or an alternative custodian that maintains custody of your assets, to charge the account for the amount of Adviser's fee and to remit such fee to Adviser in compliance with regulatory procedures by automatic draft from the Client advisory account. Please note, Cypress Capital may recommend that clients use certain non-affiliated third parties for custodian and brokerage services. Cypress Capital is not affiliated with any

company that it refers Clients to for custody and/or brokerage services.

In addition to the Adviser's annual investment management fee, Client shall also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed directly at the fund level (e.g., management fees and other fund expenses). Please note, the Adviser receives no compensation for the sale of mutual funds.

A Client may also pay additional advisory fees to the Separately Managed Account ("SMA") SMA money manager. These management fees are separate and in addition to the fees disclosed above. The Client will receive information relating to the management fees charged by the SMA money manager upon selection and entering into the management agreement. The Client will sign a Limited Power of Attorney (LPOA) which allows you, as a client of Cypress Capital to designate Money Managers ("Managers" or MMs) for the registered account(s) (individually and collectively, "Account") maintained at Charles Schwab & Co., Inc. ("Schwab"). A client can use the LPOA to designate Managers in multiple Accounts. The authorizations the Client has granted in the LPOA will remain effective until the Client has revoked or terminated any such authorizations, or the authorized entity or person (including, but not limited to, Cypress Capital or MMs) resigns as my authorized agent(s), in either case by giving notice to Schwab, by mail, telephone, facsimile, messenger or otherwise, provided, however, that Schwab reserves the right to require written notice or confirmation that such authorizations have been terminated or revoked.

Furthermore, as noted in *Item 17 Voting Client Securities (Proxy Voting)*, not all Managers will vote for proxies or exercise other security holder rights. The Client and Cypress Capital must still obtain the designated Managers' agreements to perform those functions for the Account. If the Client designates the Managers to vote proxies on this LPOA, but one or more Managers will not agree to vote proxies and the Client wishes Cypress Capital to do so, the Client must complete a Managed Accounts Issuer Communications and Release of Information Form.

Schwab is acting solely as a broker-dealer and custodian, and not as an investment advisor, with respect to the client Accounts. Schwab will only carry out transactions as directed by the Money Managers (MMs), Cypress Capital as the investment adviser for the Client, or the Client itself, as the case may be. Schwab's fees for its brokerage and related services are separate from the advisory fees charged by Cypress Capital and MMs. Schwab will send the Client confirmations of trades executed through Schwab and statements of all activity in my Accounts. Schwab does not provide tax or legal advice.

In this scenario, Cypress Capital and the Client (and not Schwab) are responsible for investigating and selecting MMs to manage the Account. Schwab does not endorse, recommend or give advice to the Client or Cypress Capital on, or refer the Client or Cypress Capital to, any MM or investment style or strategy or the suitability of a separately managed account for the Client. MMs and Cypress Capital are not affiliated with or controlled or employed by Schwab, except for Charles Schwab Investment Management, Inc. (CSIM), which is an affiliate of Schwab. Schwab does not mandate the amount of any MM's or Cypress Capital's fee for management of any account maintained at Schwab. Schwab does not review and cannot verify or guarantee the accuracy, adequacy or completeness of any historical performance or other information about any MM made available to me or Cypress Capital, and Schwab shall not be responsible for my or Cypress Capital's reliance on any such information. An MM's past investment performance is not a guarantee of future results. The investment style, techniques, portfolio securities and performance of an MM's separately managed accounts may differ materially from that of a mutual fund managed with a

similar style by the same MM.

The Client agrees to authorize the custodian to pay directly to Cypress Capital upon receipt of notice, the Account's Advisory Services Fee. Fee withdrawals will occur no less frequently than quarterly from the Client's account, unless specifically instructed otherwise by the Client. The custodian will send to the Client a statement, at least quarterly, indicating all amounts disbursed from the account, including the fee paid directly to Cypress Capital. Generally, Cypress Capital does not maintain physical custody of Client assets and does not act as custodian for Client assets. By virtue of the Adviser's legal authority to transfer or dispose of assets and deduct fees and other expenses from the Client's account, Cypress Capital is deemed under Rule 206(4)-2 of the Advisers Act to have custody of Client assets and must operate as if it does have custody in such situations. Accordingly, the Client will receive account statements from their qualified custodian.

The independent and qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you on a quarterly basis indicating all the amounts deducted from the account including our advisory fees.

Either Cypress Capital or you 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, for the quarter in which the cancellation notice was given and the unearned fee refunded to your account, or any earned fee will be billed to the Client.

Upon termination, you are 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, Cypress Capital will continue management of the account until we are notified of Client's death or disability and given alternative instructions by an authorized party.

#### *Sub-Advisor Fees and Services*

If deemed appropriate by the Firm, Cypress Capital may recommend an independent sub-adviser to manage all or a portion of a Client's portfolio. In those circumstances, the Sub-Advisor manages the assets based upon the parameters provided by our Firm. Cypress Capital signs a Sub-Advisory Advisory Agreement with the applicable money manager that outlines the terms of the investment management services to be provided by the sub-adviser and the investment objectives of the client's account. In these instances, a client will generally have a single strategy in each account, with each account covered by a single separate discretionary investment advisory agreement. In some situations, a client may have multiple strategies managed within a single account, all covered by one discretionary investment advisory agreement. If more than one strategy is selected in an account, the strategy allocations selected, and the proportion of assets managed to each strategy will typically dictate the client's blended fee rate, except in situations where a different negotiated fee rate has been agreed upon in the discretionary investment advisory agreement.

The Sub-Advisor for the portfolio may have higher or lower fees than other programs available through Cypress Capital or available elsewhere. Investment management programs may differ in the services

provided and method or type of management offered, and each may have different account minimums. Client reports will depend upon the management program selected. Sub-Advisor fees and services will be indicated on a Client's Investment Advisory Agreement. The sub-advisor's fee is included in the investment advisory fee charged by Cypress Capital. The combined advisory fee billed by Cypress Capital and the Sub Advisor fee are not to exceed 2.50%.

The Sub-Advisor relationship may be terminated at the IAR's discretion. Cypress Capital may at any time terminate the relationship with the sub-advisor that manages a Client's assets. Cypress Capital will notify a Client of instances where we have terminated a relationship with any sub-advisor a Client is investing with. Cypress Capital will not conduct on-going supervisory reviews of the sub-advisor following such termination. Factors involved in the termination of a sub-advisor may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff, unexplained poor performance, unexplained inconsistency of account performance, or our decision to no longer include the manager on our list of approved sub-advisors.

#### **Private Fund and Alternative Investment Managers Associated Fees**

As described in Item 4, Cypress Capital may recommend that a Client invest a portion of their assets in a private fund, hedge fund, or other alternative investment, based on the individual Client's risk tolerance and objectives. Important disclosures related to investing in alternative investments are described in Cypress Capital's Part 2A Brochure Disclosure, Item 8 Methods of Analysis, Investment Strategies, & Risk of Loss section or a similar agreement. Actual fees are disclosed in the private placement memorandum (PPM), a supplement to the PPM or in a prospectus of the alternative investment fund. Cypress Capital does not exercise discretion over any non-public alternative investments. Clients are responsible for initially executing any documents required to be completed by the investment manager and for continuously maintaining any subsequent documentation required after the initial investment is made. Please see *Item 4*.

#### **Other Fees and Expenses**

In addition to the fees described above, Clients may bear other costs associated with investments or accounts including but not limited to: (i) custodial charges, brokerage fees, commissions and related costs; (ii) interest expenses; (iii) taxes, duties and other governmental charges; (iv) transfer and registration fees or similar expenses; (v) costs associated with foreign exchange transactions; (vi) other portfolio expenses; and (vii) costs, expenses and fees (including investment advisory and other fees charged by the investment advisers of funds in which the Client's account invest) associated with products or services that may be necessary or incidental to such investments or accounts. With respect to such services (which may include, but are not limited to, custodial, securities lending, brokerage, futures, banking, consulting or third-party advisory or legal services) each Client may be required to establish business relationships with relevant service providers or other counterparties based on the Client's own credit standing. Cypress Capital will not have any obligation to allow its credit to be used in connection with the establishment of such relationships, nor is it expected that such service providers or counterparties will consider or rely on Cypress Capital's credit in evaluating the Client's creditworthiness.

For an additional discussion of brokerage and other transaction costs, please refer to *Item 12 – Brokerage Practices* of this Brochure.

### *Custodian Fees*

Clients may be charged the following fees from their account custodian or executing broker: charges for transactions with respect to assets not executed through the custodian; short term redemption costs; costs charged to shareholders of mutual funds and exchange traded funds by the fund manager; odd-lot differentials; American Depositary Receipt costs; costs associated with exchanging currencies; or other costs required by law. Administrative costs for retirement accounts and any platform (technology) fees are paid directly by the Client, unless other arrangements have been made.

Additionally, the Client will be charged for non-standard service fees incurred as a result of any special requests made by the Client, such as overnight courier or wiring fees. Account custodians may also charge clients account transfer and/or termination fees.

For custodial services, Cypress Capital utilizes the services of a number of firms to meet its Clients' needs. Custodial transaction fees (for transactions executed through the custodian's broker-dealer) may be paid by the Client or by Cypress Capital as negotiated and stated in the Client's agreement with the account custodian. Custodians charge Clients other fees, beyond transaction fees. The additional fees charged to Clients by the custodian may include, but are not limited to, fees related to custodial and clearing agent services, maintenance of portfolio accounting systems, preparation and mailing of Client statements, account processing, systematic withdrawals, redemptions, terminations, account transfers, retirement account custodial services (except for the retirement account termination cost), maintenance of a Client inquiry system, as well as execution of securities transactions in the Client's account. None of these charges are retained by Cypress Capital.

### **Terminated Accounts**

The Firm's standard investment management contract generally continues in effect until terminated by either party upon written or verbal notice to the other (email notice will suffice). Upon the termination of the Agreement, Adviser will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the account. In the event the Agreement is terminated, and the Client has prepaid fees which have been unearned as of the date of termination, such unearned fees shall be immediately refunded to the Client. The Client will be charged for all days their account is managed up and including the day the Client requests a termination. The Client will receive a prorated refund of the number of days remaining in the quarter starting the day after the termination request is received. Please note, it is possible for unearned fees to be adjusted and not be made available to the Client under certain circumstances, for example in situations where the fee is below a de minimis dollar threshold of \$100.00.

In addition, upon execution of an investment advisory agreement, the Client acknowledges receipt of Part 2 of Form ADV; a disclosure statement containing the equivalent information; or a disclosure statement containing at least the information required by Part 2A Appendix 1 of Form ADV, if the Client is entering into a wrap fee program sponsored by the investment adviser. If the appropriate disclosure statement was not delivered to the Client at least 48 hours prior to the Client entering into any written or oral advisory contract with this investment adviser, then the Client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision in our Agreements, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding. Importantly, upon termination, a Client is responsible for monitoring the securities in his

or her 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, Cypress Capital will continue management of the account until we are notified of Client's death or disability and given alternative instructions by an authorized party.

Generally, upon notice of termination to the Client, the Firm will begin the process of removing its access to the Client's account; however, the custodian may require a reasonable amount of time to liquidate and/or transfer assets, including time for required recordkeeping, processing, and complying with the rules and conditions imposed by mutual fund companies, stock exchanges, or securities issuers.

For an additional discussion of brokerage and other transaction costs, please refer to *Item 12 – Brokerage Practices* of this Brochure.

### **Other Compensation**

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

For an additional discussion of other compensation, please refer to *Item 14 – Client Referrals and Other Compensation* of this Brochure.



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

Cypress Capital's maximum investment advisory fee is 2.50%, or we may negotiate a lower advisory fee. Please note, if Client has invested in the Spartan Long/Short strategy, Client authorizes Cypress Capital to charge management fees *and* performance-based fees specifically outlined in an Addendum to the Client Agreement. The Management Fee for the subadvisor to implement this strategy is based upon the market value of the client's assets multiplied by the investment management fee. Fees are calculated as follow:

- *Long/Short Strategy:* For the Spartan Long/Short strategy, at the inception of the account, clients will be charged a 1.00% annual asset-based fee and a 10% performance-based "incentive" fee. The annual asset-based fee is payable quarterly in the arrears and is based on the average daily balance of the value of the client's account at the end of the prior quarter. If management begins after the start of a quarter, or if an account experiences material inflows or outflows, fees will be prorated accordingly. Fees are assessed on all assets under management, including securities, cash, ETFs, money market mutual funds or other mutual funds that comprise the Client's account balance at the end of a billable quarter. Margin account balances are not included in billing.
- *Performance Fee Calculation Methodology:* The performance-based fee component of the investment management fee is calculated as of December 31 of each year. When "Net Profits" are earned for the current period, Spartan will receive a performance fee of 10% of the Net Profits generated, subject to a "High Water Mark." No performance fee is assessed in any performance measurement period if the Net Profits for the performance measurement period are zero or negative. Net Profits for any calculation period equal the current period ending value of net assets (including unrealized gains and losses, accrued dividends, accrued interest and net of asset-based fees), less the current High-Water Mark. The High-Water Mark for an account for any calculation period is the highest ending value of net assets of an account for which a performance fee was previously paid by the account. The High-Water Mark will be increased for any deposits added to an account during a calculation period. If a client withdraws capital from its account before the end of an annual performance period, the performance fee for the amount withdrawn will be calculated based on the Net Profits for the year as of the withdrawal date and based on the High-Water Mark. Any fees due to Spartan from the client will be invoiced or deducted from the client's account.

## **Item 7 Types of Clients**

As discussed in *Item 4 – Advisory Business* of this Brochure, Cypress Capital currently provides investment management services, as an investment adviser, to individuals, high-net worth individuals, institutions, charitable organizations, trusts, foundations, endowments family offices and estates. We do not require a minimum dollar amount to open and maintain an advisory account.

In addition, the Firm may seek to obtain, verify, and record information that identifies each Client who retains Cypress Capital to manage its account, in order to help the U.S. Government, fight the funding of terrorism and money laundering activities.

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

Investing in securities involves risk of loss that Clients should be prepared to bear.

### **Investment Strategies**

The Company may invest in a wide range of securities and other financial instruments including: equity securities of domestic and foreign issuers (both publicly and privately traded); corporate debt securities of domestic and foreign issuers (both publicly and privately traded); MLPs; derivative securities, including but not limited to futures, options, swaps and forward contracts; warrants; commercial paper; foreign currency contracts; registered investment company securities, including exchange-traded funds ("ETFs"); and U.S. government securities. As financial markets and products evolve, Cypress Capital may invest in other instruments or securities, whether currently existing or developed in the future, when consistent with Client guidelines, objectives, and policies. Cypress Capital generally invests for long-term growth of capital and income. Within that framework, Client objectives and unique circumstances may dictate that short-term positions be taken.

Cypress Capital's primary objective is to seek consistent positive absolute returns while employing an investment strategy appropriate to the Client's investment goals and objectives.

### **Methods of Analysis**

Cypress Capital's methods of analysis include:

*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) to determine if the security is underpriced (indicating that it may be a good time to buy) or overpriced (indicating that it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk because 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 security.

*Asset Allocation:* In addition to focusing 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. Periodically we may encounter economic conditions that warrant temporary adjustments to the asset allocation of an investment strategy or portfolio. If we believe that these conditions present either an increase in risk or opportunity for that particular asset class we may alter the appropriate allocation to reflect this conviction.

*Mutual Fund and/or ETF Analysis:* We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if the manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF

in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the Client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, because we do not control the underlying investments in a fund or ETF, managers of different funds held by the Client may purchase the same security thereby increasing the risk to the Client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF which could make the holding(s) less suitable for the Client's portfolio.

*Technical Analysis:* Trends in price and trading volume can provide important clues on the demand for a particular stock. Deciding whether and when to buy or sell a stock or stocks in general (the overall market) is an important part of the investment process, particularly as it applies to managing risk. As an aid in making decisions, we look at the basic technical patterns and signals recognized by the industry as providing meaningful input. The key consideration is a trend: its strength, length, exhaustion and reversal. These situations can result in buying and selling opportunities.

*Risks For All Forms of Analysis:* Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, 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.

*Use of Alternative Investments:* If deemed appropriate for your portfolio, our Firm may recommend investments classified as "alternative investments". Alternative investments may include a broad range of underlying assets including, but not limited to, hedge funds, private equity, limited partnerships, venture capital, and registered, publicly traded *securities*. Alternative investments are speculative, not suitable for all Clients and intended for only experienced and sophisticated investors who are willing to bear the high risk of the investment. The maximum and minimum portion of any Client's portfolio that is invested at any one time is predicated on their overall risk tolerance and financial goals. Within that range, we will use cash as a cushion against market volatility. To make these decisions, we employ a combination of technical indicators provided by outside services, research from academia, and our own Cypress Capital computer models developed and tested over past periods.

Furthermore, Cypress Capital focuses on the following areas of a Client portfolio:

- purpose driven investing through aligning the underlying investment strategy to the needs of the Client assets,
- thorough and exhaustive investment research to potentially maximize long-term wealth accumulation through portfolio positioning,
- consistent and unwavering diversification within the portfolio in an attempt to ensure against the risk of total loss, and
- disciplined rebalancing of Client assets allowing for an objective reallocation of capital and risk.

## **Investment Strategies**

- Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose Clients to various types of risk that will typically surface at various intervals during the time the Client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

\* \* \* \* \*

The methods of analysis and investment strategies summarized above are not intended to be comprehensive. For more information regarding the investment objective and strategies of each, please carefully review its applicable governing documents. Investing in securities involves a risk of loss that you, as a Client, should be prepared to bear.

## **Certain Risk Factors**

*Clients should understand that all investment strategies and the investments made when implementing those investment strategies involve risk of loss and Clients should be prepared to bear the loss of assets invested. There can be no assurance that Clients will achieve their investment objectives or that investments will be successful or profitable. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a Client's investments fluctuates due to market conditions and other factors. Nothing in this Brochure is intended to imply, and no one is or will be authorized to represent, that Cypress Capital's investment strategies and services are low risk or risk free. The investment decisions made, and the actions taken for Clients accounts are subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable. Past performance of Clients accounts is not indicative of future performance. Investors and advisory Clients are urged to consult with their own independent financial, legal and tax advisors before making any investment decisions. This Brochure does not include every potential risk associated with an investment strategy, or all of the risks applicable to a particular Client account. Rather, it is a general description of the nature and risks of the strategies and securities and other financial instruments in which Client accounts may invest. The following risks may apply to strategies managed by Cypress Capital:*

- Exchange Traded Funds (ETFs) and Exchange Traded Products (ETPs): ETFs and ETPs are investment funds that are traded like shares, and which invest in a diversified pool of assets such as shares, bonds or commodities. Investing in ETFs and ETPs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. In general, they track the performance of a benchmark or financial index and the value of the investment will fluctuate accordingly. They can track a wide variety of sector specific, country specific or broad market indices and can therefore be used to provide an inexpensive way of diversifying a Portfolio. Some ETFs and ETPs employ complex techniques or hold riskier assets to achieve their objectives, for example they may invest in derivatives which carry, amongst other risks, counterparty risk. ETFs can be complex instruments that carry significant risks with many having compounding, daily reset and leverage features that may increase the inherent risks of ETFs, particularly during periods of high market

volatility. As such, ETFs are intended to be medium to long term investments. ETPs are passive investments and aim to replicate the performance of a given market, generally by tracking an underlying benchmark.

- **Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment. Markets may move in cycles, with periods of rising prices and periods of falling prices.
- **Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature. Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.
- **Equity Risk:** The market price of securities owned by Clients may go up or down, sometimes rapidly or unpredictably. The equity securities in Clients' portfolios may decline in value due to factors affecting equity securities markets generally or the energy sector. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, including the basic minerals sector, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which Cypress Capital believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame we anticipate. As a result, Clients may lose all or substantially all of their investments in any particular instance.
- **Fixed Income Securities:** Cypress Capital may invest Client assets in bonds or other fixed income

- securities of issuers including, without limitation, bonds, notes and debentures issued by corporations; debt securities and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which Cypress Capital invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).
- Real estate funds (including REITs): REITS face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.
  - Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.
  - Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.
  - Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.
  - Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.
  - General Economic and Market Conditions: The success of Cypress Capital's activities is affected by general economic and market conditions, such as changes in interest rates, availability of credit and debt-related issues, inflation rates, economic uncertainty, changes in laws (including laws

relating to taxation of Client investments), trade barriers, unemployment rates, release of economic data, currency exchange controls and national and international political circumstances (including wars, terrorist acts, natural disasters, security operations, the European debt crisis or the U.S. budget negotiations). These factors may affect the level and volatility of securities prices and the liquidity of Client investments. Volatility and/or illiquidity could impair a Client's profitability or result in losses. Clients could incur material losses even if Cypress Capital reacts quickly to difficult market or economic conditions, and there can be no assurance that Clients will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Clients should realize that markets for the financial instruments in which Cypress Capital invest Client assets can correlate strongly with each other at times or in ways that are difficult for Cypress Capital to predict. Even a well-analyzed approach may not protect Clients from significant losses under certain market conditions.

- **Cybersecurity Risk:** In addition to the Material Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at Cypress Capital 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.
- **Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues:** Our business activities could be materially adversely affected by pandemics, epidemics and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, severe acute respiratory syndrome (SARS), and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues. Specifically, COVID-19 has spread (and is currently spreading) rapidly around the world since its initial emergence in China in December 2019 and has severely negatively affected (and may continue to materially adversely affect) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of COVID-19 and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of the Adviser. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially



impact the day to day lives of persons around the globe), the Adviser could be adversely affected by more stringent travel restrictions, additional limitations on the Adviser's operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).

- **Short Selling Risk:** In general, some of our designated third-party managers will engage in short sales of securities that they do not own in the portfolio. Such short sales expose the portfolio to speculative exposure risk, including that if the securities that have been sold short increase in value, the portfolio will lose value. Short selling also involves the risk of increased leverage (as discussed in Leverage Risk), the potential inability to reacquire a security in a timely manner or at an acceptable price, the possibility of the lender terminating the loan at any time, forcing the Firm's sub-advisers to close the transaction under unfavorable conditions, the additional costs that may be incurred, and the potential loss of investment flexibility caused by the obligation to provide collateral to the lender and set aside assets to cover the open position.
- **Leverage Risk:** The Firm's sub-advisers at times will employ leverage, including the use of trading on margin. The use of leverage entails risks, including the potential for higher volatility and greater declines in the portfolio's value. Leverage may also result in the portfolio's market value exposure being in excess of the net asset value of the portfolio or require the Firm's sub-advisers to liquidate positions when it may not be advantageous to do so to satisfy its borrowing obligations.
- **Management Risk:** While Cypress Capital and one or more of its designated sub-advisers manages client investment portfolios based on experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. The ability of the portfolio to meet its objective is directly related to the ability of Cypress Capital's investment strategy to correctly quantify market risk and react accordingly to current and developing market trends. Thus, client investment portfolios are subject to the risk that Cypress Capital or its designated sub-advisers allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that the Firm's specific investment choices could underperform their relevant indexes.
- **Cash and Cash Equivalents:** Cash accounts are normally considered to be lower risk investments than bonds or equities as the nominal amount of cash deposited or held in this way should not, under normal circumstances, fall. A cash account will earn an income return or interest, the amount of which will generally be determined by the general level of interest rates. However, the investment returns from cash and near cash may be lower than for bonds or equities and at times of high inflation the real value of the cash deposited can fall. Cash may also be invested in variable net asset value money market funds. These offer redemptions and subscriptions at a value that is equal to the fund's net asset value and may be riskier as, although clients may increase the value of their cash investment, there is a risk that the value of their cash may decline if the value of the underlying investments held by the funds falls.

## **Item 9 Disciplinary Information**

This Item requests information relating to legal and disciplinary events in which Cypress Capital or any supervised persons, as defined by the Advisors Act, have been involved that are material to Client's or prospective Client's evaluations of Cypress Capital's advisory business or management. There are no reportable material legal or disciplinary events related to Cypress Capital or any of its supervised persons. In the ordinary course of Cypress Capital's business, Cypress Capital, its affiliates and employees have not in the past been subject to any formal or informal regulatory inquiries, subpoenas, investigations, legal, criminal or civil action or regulatory proceedings involving the SEC, or any other regulatory authorities, including private parties and self-regulatory organizations ("SRO").

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

### **Affiliated Broker-Dealers**

Cypress Capital is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Certain affiliated persons listed in Schedule A of Cypress Capital's Part 1 of Form ADV (i.e., Mr. James Housler) of Cypress Capital may hold FINRA licenses but do not receive any compensation from a broker dealer. Specifically, Mr. James Housler passed three exams including: Series 65 - Uniform Investment Adviser Law Examination, Series 63 - Uniform Securities Agent State Law Examination, and the Series 7 - General Securities Representative Examination. Furthermore, the advisory services carried out by the Advisor(s) are completed in their capacity as investment advisory representatives of Cypress Capital; however, when recommending variable annuity products, the Advisor acts in his or her capacity as an insurance agent. Furthermore, the supervised person is actively engaged in other investment-related businesses or occupations. Mr. Housler is Founder and Consultant of Cypress Capital, LLC, which is investment related. In his role, he assists entities with task-based consulting. Tasks can range across a vast number of sectors including real estate, venture capital and private equity. Mr. Housler has an ownership interest in the following entities: H3 Investment Company, LLC and Great Escapes I, LLC. He spends less than 5% of his time on these activities outside of the firm. These entities and his role are separate and unaffiliated with Cypress Capital Wealth Management , LLC.

### **Affiliated CPO and/or CTA**

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

### **Relationship or Arrangements with Affiliates and/or Related Persons**

Northstar Bank ("Northstar"), a banking subsidiary of Michigan based Northstar Financial Group, Inc. acquired Cypress Capital in July 2022. Northstar retains ownership of the Cypress Capital. Mr. James Housler, Accredited Wealth Management Advisor ("AWMA") founded the Firm and retains Founder and President position. Northstar Bank shares common ownership with Gemini Group, a Bad Axe based manufacturing conglomerate. Northstar Bank and its affiliate banks operate 17 branches in Michigan and eight branches throughout central Florida. Unless prohibited by applicable law, a bank is permitted to use its affiliates' qualified personnel and facilities to perform services related to the exercise of its fiduciary powers. These activities include investment management, asset custody, and tax preparation among others. Such delegated activities remain subject to oversight by the bank's board of directors. Service arrangements between a bank and its affiliates for these delegated activities are documented under written agreements and subject to effective ongoing oversight in accordance with applicable regulatory guidance on service provider oversight. The level of oversight must be sufficient to ensure that the bank is properly fulfilling its fiduciary responsibilities. Compensation to affiliates for services they provide must be based on market terms in accordance with the Board of Governors of the Federal Reserve System's (FRB) Regulation W.

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

### *Sub-Advisor Relationships*

Please refer to *Item 4* and *Item 5* above for more information about the selection of Sub-Advisor used with our services. Based on our Agreement with the Sub-Advisor, Cypress Capital pays a portion of the advisory fee our Firm receives to the Sub-Advisor. A conflict of interest for our Firm in utilizing a sub advisor is receipt of discounts or services not available to us from other similar sub advisers. In order to minimize this conflict our firm will make our recommendations and selections of Sub-Advisor that are in the best interest of our Clients.

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

Cypress Capital maintains a policy of strict compliance with the highest standards of ethical business conduct and the provisions of applicable federal securities laws, including rules and regulations promulgated by the SEC, and has adopted policies and procedures described in its code of ethics. The code of ethics has been adopted by Cypress Capital in compliance with Section 204A of the Advisers Act. The code of ethics applies to each employee of Cypress Capital and any other “access person” as defined under the Advisers Act. It is designed to ensure compliance with legal requirements of Cypress Capital’s standard of business conduct.

A complete copy of Cypress Capital’s code of ethics (“Code of Ethics”) is available upon request to Clients or prospective Clients.

The Code of Ethics is based upon the premise that all Cypress Capital personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory services. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of Cypress Capital; (3) observe Cypress Capital’s personal trading policies so as to avoid “front-running” and other conflicts of interests between Cypress Capital and its Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by Cypress Capital’s Chief Compliance Officer, and that personnel who violate the Code of Ethics are subject to sanctions by Cypress Capital, up to and including termination.

**Standards of Conduct:** Cypress Capital and its access persons are expected to comply with all applicable federal and state laws and regulations. Access persons are expected to adhere to the highest standards of ethical conduct and maintain confidentiality of all information obtained in the course of their employment and bring any risk issues, violations, or potential violations to the attention of the Chief Compliance Officer. Access persons are expected to deal with Clients fairly and disclose any activity that may create an actual or potential conflict of interest between them and Cypress Capital or Client.

**Confidentiality:** Employees must maintain the confidentiality of Cypress Capital’s proprietary and confidential information and must not disclose that information unless the necessary approval is obtained. Cypress Capital has a particular duty and responsibility, as investment adviser or sub-adviser, to safeguard Client information. Information concerning the identity and transactions of Clients is confidential, and such information will only be disclosed to those employees and outside parties who may need to know it in order to fulfill their responsibilities.

### **Potential Conflicts**

Cypress Capital does not recommend that Clients buy or sell any security in which a related person to Cypress Capital or Cypress Capital has a material financial interest. From time to time, representatives of Cypress Capital may buy or sell securities for themselves that they also recommend to Clients. This may provide an opportunity for representatives of Cypress Capital to buy or sell the same securities before or after recommending the same securities to Clients resulting in representatives profiting off the recommendations they provide to Clients. Such transactions may create a conflict of interest. Cypress Capital will always document any transactions that could be construed as conflicts of interest and will

never engage in trading that operates to the Client's disadvantage when similar securities are being bought or sold.

**Allocation of Investment Opportunities:** As stated herein above, Cypress Capital acts as investment adviser to more than one Client that may have similar investment objectives and pursue similar strategies. Certain investments identified by Cypress Capital may be appropriate for multiple Clients. When it is determined by Cypress Capital that it would be appropriate for more than one Client to participate in an investment opportunity, Cypress Capital will generally allocate such investment opportunity among the Clients in proportion to the relative amounts of capital available for new investments, taking into account such other factors as it may, in its sole discretion determine appropriate, including investment objectives, legal or regulatory restrictions, current holdings, availability of capital for investment, the size of investments generally, nature and type of investment or opportunity, risk-return considerations, relative exposure to market trends, targeted leverage level, targeted asset mix, target investment return, diversification requirements, strategic objectives, specific liquidity requirements, as well as any tax consequences, limitations and restrictions on a Client's portfolio that are imposed by such Client's governing documents or other considerations that Cypress Capital deems necessary or appropriate in light of the circumstances at such time. Cypress Capital seeks to manage and/or mitigate these potential conflicts of interest described by following procedures with respect to the allocation of investment opportunities for its Clients.

Cypress Capital's allocation policy is based on a fundamental desire to treat each Client account fairly over time. It is Cypress Capital's general policy to allocate investments among its Clients in a manner which it believes to be fair and equitable. Allocations of investment opportunities should not be based on any of the following, or similar, reasons: (i) to generate higher fees paid by one account over another, or to produce greater fees to Cypress Capital; (ii) to develop a relationship with a Client or prospective Client; or (iii) to compensate a Client for past services or benefits rendered to the company or any employee of Cypress Capital or to induce future services or benefits to be rendered to Cypress Capital or any employee of Cypress Capital. Consistent with its fiduciary duties, Cypress Capital allocates trades to its Clients on an equitable basis as set forth in the Firm's policy.

**Conflicts Related to Relationships with Third Parties:** Conflicts may arise where Cypress Capital has the responsibility and authority to vote proxies on behalf of its Clients. Please refer to *Item 17 – Voting Client Securities* of this Brochure for information regarding the policies and procedures governing Cypress Capitals' proxy voting activities.

Cypress Capital may conduct business with institutions such as broker-dealers or investment banks that invest, or whose Clients invest, in pooled vehicles sponsored or advised by Cypress Capital, or may provide other consideration to such institutions or recognized agents, and as a result Cypress Capital may have a conflict of interest in placing its brokerage transactions.

## Item 12 Brokerage Practices

As a general rule, Cypress Capital receives discretionary investment authority from its Clients at the outset of an advisory relationship. Depending on the terms of the applicable investment management agreement, Cypress Capital's authority may include the ability to select broker-dealers through which to execute transactions on behalf of its Clients, and to negotiate the commission rates, if any, at which transactions are effected. Cypress Capital may also have the authority to enter into International Swap and Derivatives Association ("ISDA"), repurchase clearing, trading brokerage, margin future, options, or other types of agreements on behalf of Cypress Capital's Clients. In making decisions as to which securities are to be bought or sold and the amounts thereof, Cypress Capital is guided by the mandate selected by the Client and any Client-imposed guidelines or restrictions. Unless Cypress Capital and the Client have entered into a non-discretionary arrangement, Cypress Capital generally is not required to provide notice to, consult with, or seek the consent of its Clients prior to engaging in transactions.

### **Brokerage Selection**

We require that Clients utilize the custody, brokerage and clearing services of a Custodian (the "Custodian") for investment management accounts. Our recommended Custodians are independent and unaffiliated FINRA-registered broker-dealers. We may 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. 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.

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

In the event you request us to recommend a broker-dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at one of these custodians. We may recommend that you establish accounts with the custodians to maintain custody of your assets and to effect trades for your accounts. 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.

The custodian we utilize makes available to us other products and services that benefit us but may not benefit your accounts in every case. Some of these other 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.

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 its 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.

We also receive certain additional economic benefits from the Custodian that may or may not be offered to any other independent investment Advisors participating in the program.

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. Investment advisor representatives endeavor at all times to act in the best interest of our Clients first as a part of their fiduciary duty.

We place trades for our Clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Each Custodian's execution quality may be different than other broker-dealers.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

- Our policy for the aggregation of transactions shall be fully-disclosed separately to our existing Clients (if any) and the broker/dealer(s) through which such transactions will be placed
- We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our investment advisory agreement with you for which



trades are being aggregated

- No advisory Client will be favored over any other Client; each Client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each Client's participation in the transaction
- We will prepare a written statement ("Allocation Statement") specifying the participating Client
- accounts and how to allocate the order among those Clients
- If the aggregated order is filled in its entirety, it will be allocated among Clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation
- Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all Client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each Client account, the orders of which aggregated, the securities held by, and bought for that account
- We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
- Individual advice and treatment will be accorded to each advisory Client

### **Soft Dollars**

Section 28(e) of the Exchange Act provides a "safe harbor" to investment advisers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to such investment advisers in the performance of investment decision-making responsibilities. The term "soft dollars" refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by such investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for Clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties. Research services furnished by brokers may include (but are not limited to) written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. In the event that the Company utilizes soft dollars, it will do so solely to pay for products or services that qualify as "research and brokerage services" within the meaning of Section 28(e) of the Exchange Act. The Company does not currently participate in any soft dollar program. In the event that the

Company utilizes soft dollars, it will do so solely to pay for products or services that qualify as “research and brokerage services” within the meaning of Section 28(e) of the Exchange Act.

### **Brokerage for Client Referrals**

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

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

We do not routinely recommend, request, or require that you direct us to execute transaction through a specified broker dealer. Additionally, we 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.

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

Cypress Capital 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.

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

All Client accounts for Cypress Capital's advisory services provided on an ongoing basis are reviewed at least annually with regard to Clients' respective investment policies and risk tolerance levels. All accounts at Cypress Capital are assigned to a reviewer. Reviews may be triggered by material market, economic or political events, or by changes in Client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Each Client of Cypress Capital's advisory services provided on an ongoing basis will receive a quarterly report detailing the Client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

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

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

At times, Cypress Capital or its related people receive or provide compensation or other economic benefit to persons or entities for providing referrals based on the specific parameters and relationships described in the Firm's Form ADV. Please see below.

#### *MMX Capital Management, LLC*

Cypress Capital has retained MMX Capital Management, LLC ("MMX") to solicit prospective investors. For services rendered, MMX receives a fee in an amount set forth in the agreement between Cypress Capital and MMX. The fee is paid entirely by Cypress Capital.

#### *Northstar Bank*

Northstar, a banking subsidiary of Michigan based Northstar Financial Group, Inc. acquired Cypress Capital in July 2022. Northstar retains ownership of the Firm. Northstar Bank shares common ownership with Gemini Group, a Bad Axe based manufacturing conglomerate. Northstar Bank and its affiliate banks operate 17 branches in Michigan and eight branches throughout central Florida. Northstar may refer certain clients, on a case-by-case basis, to Cypress Capital, including investors who seek a portfolio manager. Some of those clients may have a banking relationship with Northstar or have funds or loans or accounts held with Northstar. Cypress Capital Clients may open separate investment management accounts with the Firm. If Northstar does make such a referral, it will disclose the relationship and address any conflicts of interest to clients, in writing. As part of its fiduciary duties to Clients, Cypress Capital endeavors always to put the interests of its Clients first. Clients should be aware, however, that Cypress Capital nor its advisor(s) are in receipt of economic benefits by Northstar for such referral.

In addition, Northstar, which retains ownership of the Company implemented in conjunction with the Cypress a customer referral program. The purpose of this customer referral program is to encourage Northstar Bank and West Michigan Community Bank employees to make referrals of perspective clients to, Cypress. By doing so, Northstar Bank and West Michigan Community Bank aims to support and advocate for its investment advisory affiliate, while ensuring clients are able to achieve their financial security now and for generations to come. The Firm has implemented a policy regarding the customer referral program. In addition, Northstar has implemented a policy which applies to all non-licensed employees and officers who refer high net worth candidates to Cypress. High net worth are clients with at least a \$1 million net worth. One or more employees are eligible by directing qualified customers, friends, family, colleagues, or other contacts who might benefit from the high-touch financial service. There are no caps on the number of referrals a Northstar employee can make. There are two distinct referral fee programs in place for Large Retail and Affluent Households that differ based on the target customer. The reward scales based on the value of the lead and there are greater incentives for larger investments. For example, hourly employees can receive a one-time cash payment of two times the hourly rate. For example, \$20/hour \* 2 = \$40. All employees are provided with the Company's Form ADV Part 2, Part 3 and Privacy Notice along with any required disclosure documentation or ancillary information.

#### *Insurance*

In connection with insurance, Cypress Capital may refer Clients to third-party, non-affiliated companies offering tax preparation services, including CPA's, attorneys, and insurance professionals. Cypress Capital may charge the Client a fee for its assistance with providing documents to the third-party tax preparation company. Cypress Capital may also offer to cover the cost of third-party tax preparation as part of its negotiated Advisory Fee (see Item 5 - *Fees and Compensation* for more information on the fees charged).

Cypress Capital does not provide tax preparation and filing or accounting services ("tax services") or legal services to Clients. Certain Advisors may provide tax services to Clients; however, these services are provided as an outside business activity that is not affiliated with or conducted through Cypress Capital and such services are not subject to the supervision or oversight of Cypress Capital or any of its affiliates. Clients are not obligated in any way to hire the Advisor to provide tax services. Clients are urged to consult with a tax professional for any and all tax advice.

Cypress Capital Risk Management, LLC ("Cypress Capital Risk Management") is a licensed insurance agency with the State of Michigan. Cypress Capital Risk Management and Cypress Capital may share employees. The two firms are non-affiliated. Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates conflicts of interest that impair 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 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 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 monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to Clients.

Clients are never obligated or required to purchase insurance products through Investment Adviser Representatives who are licensed. This does create a material conflict of interest in that it provides an incentive for Mr. Housler to recommend insurance products based on compensation received rather than on a Client's needs.

Our firm has 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 affiliated Insurance agency. Commissions generated by insurance sales do not offset advisory fees. 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 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.

## Item 15 Custody

Rule 206(4)-2 of the Advisers Act sets forth extensive requirements for investment advisers who have possession or custody of Client funds or securities. The purpose of the rule is to protect Client funds and securities from fraud or other abuse by investment advisers. SEC-registered advisers must (i) maintain client funds and securities with a qualified custodian in a separate account for each client under that client's name, or in an account that contains only client funds and securities with the adviser listed as agent or trustee for the clients ; (ii) have a reasonable basis, formed after "due inquiry," for believing that the qualified custodian holding client funds or securities sends an account statement to each advisory client at least quarterly; (iii) notify clients upon opening any new custodial account on behalf of the client (or changes to any such account) and include a legend in such notice urging the clients to compare custodial account statements with any statements received from the adviser (if the adviser elects to send any such statements directly); and (iv) undergo an annual surprise examination conducted by an independent public accountant (where applicable).

Cypress Capital does not take custody of Client assets (other than deducting management fees when authorized) and is not a broker-dealer. Cypress Capital may recommend that clients use certain non-affiliated third parties for custodian and brokerage services. Cypress Capital is not affiliated with any company that it refers Clients to for custody and/or brokerage services. Examples of companies that Cypress Capital may refer Clients to for custodian and brokerage services include but are not limited to firms such as Interactive Brokerage ("Interactive" or "IBKR").

While Cypress Capital may recommend a custodian to Clients, Clients are not obligated to follow its recommendation. It is the Client's decision on where they custody their assets. If a Client chooses to custody their assets at a custodian other than what is recommended by Cypress Capital, the firm's ability to manage the Client's assets may be restricted.



## Item 16 Investment Discretion

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

The limitations on investment and brokerage discretion held by Cypress Capital for you are:

- For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
- Any limitations on this discretionary authority shall in writing as indicated on the investment advisory Agreement. You may change/amend these limitations as required.

Through the investment management agreement, Cypress Capital may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows Cypress Capital to execute trades on behalf of clients. When such limited powers exist between Cypress Capital and the client, Cypress Capital has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, Cypress Capital may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Cypress Capital in writing. Cypress Capital consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given. In addition, some clients may sign and authorize a Limited Power of Attorney (LPOA) with Schwab, which allows you, as a client of Cypress Capital, the Investment Advisor ("Advisor" or IA) named on the LPOA, to designate Money Managers ("Managers" or MMs) for the identically registered account(s) (individually and collectively, "Account") identified on the LPOA, maintained at Charles Schwab & Co., Inc. ("Schwab").

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

The Adviser will not vote client proxies. If at any time in the future, the firm chooses to allow the voting of proxies on behalf of clients, all requirements previously referenced will be implemented prior to accepting proxy voting responsibilities.

Clients may periodically receive proxies or similar solicitations sent directly from your selected custodian or transfer agent. If we receive a duplicate copy, please note that we do not forward these or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions. Our Firm does not vote proxies on behalf of an account holder, including accounts that we have discretionary authority. We do not offer guidance on how to vote proxies, nor will we offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We will answer limited questions via scheduled interactions about proxy voting or other corporate matters in general, and how to reach an issuer or their legal representative.

Furthermore, some clients will sign a Limited Power of Attorney (LPOA) which allows you, as a client of Cypress Capital to designate Money Managers ("Managers" or MMs) for the registered account(s) (individually and collectively, "Account") maintained at Charles Schwab & Co., Inc. ("Schwab"). A client can use the LPOA to designate Managers in multiple Accounts. Not all Managers will vote proxies or exercise other security holder rights. The Client and Cypress Capital must still obtain the designated Managers' agreements to perform those functions for the Account. If the Client designates the Managers to vote proxies on this LPOA, but one or more Managers will not agree to vote proxies and the Client wishes Cypress Capital to do so, the Client must complete a Managed Accounts Issuer Communications and Release of Information Form.

**Item 18 Financial Information**

Cypress Capital does not solicit prepayment of more than \$500 in fees per Client six months or more in advance, and thus has not provided a balance sheet according to the specifications of 17 CFR Parts 275 and 279.

Cypress Capital has discretionary authority or custody of Client funds or securities. There is no financial condition that is reasonably likely to occur that would impair Cypress Capital's ability to meet contractual commitments to Clients. Cypress Capital has not been the subject of a bankruptcy petition during the past ten years.