

Breakwater Capital Group
Form ADV Part 2A
Investment Adviser Brochure

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This Brochure provides information about the qualifications and business practices of Breakwater Capital Group (“we,” “us,” “our”). If you have any questions about the contents of this Brochure, please contact Thomas J. Mullen, Chief Compliance Officer and Chief Operations Officer, at (339) 502-4200 or thomas.mullen@breakwatercapitalgroup.com.

Additional information about our Firm is also available at www.adviserinfo.sec.gov. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

We are a registered investment adviser. Please note that use of the term “registered investment advisor” and a description of the Firm and/or our employees as “registered” does not imply a certain level of skill or training. For more information on the qualifications of the Firm and our employees who advise you, we encourage you to review this Brochure and the Brochure Supplement(s).

Item 2: Summary of Material Changes

In this Item of Breakwater Capital Group's (Breakwater or the "Firm," "we," "us," "ours,") Form ADV 2, we are required to discuss any material changes that have been made to Form ADV since the last Annual Amendment.

Material Changes since the Last Update

Since the last Annual Amendment filing on January 27, 2023, we have the following Material Change to report:

- This Form was updated to amend the Firm's telephone number.
- This Form has been amended to disclose the Firm's new Chief Compliance Officer and Chief Operations Officer;
- This Form was updated to clarify our receipt of client referrals from promoters and our payment of related compensation. This change was made pursuant to the SEC's new Marketing Rule. Please see Item 14 (Client Referrals and Other Compensation), and
- This Form was updated to clarify that we do not vote proxies on behalf of clients. Please see Item 17 (Voting Client Securities).

Annual Update

You will receive a summary of any material changes to our Form ADV brochure within 120 days of our fiscal year end. We may also provide updated disclosure information about material changes on a more frequent basis. Any summaries of changes will include the date of the last annual update of the ADV.

The Supplement to our Form ADV Brochure (Form ADV Part 2B) provides you with information regarding our employees that provide investment advice.

Full Brochure Available

Our Form ADV may be requested at any time, without charge by contacting Thomas J. Mullen, Chief Compliance Officer and Chief Operations Officer, at (339) 502-4200 or thomas.mullen@breakwatercapitalgroup.com. Additional information about the Firm is also available via the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any employees affiliated with the Firm who are registered as investment adviser representatives.

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Item 4: Advisory Business

Firm Information

This Disclosure Brochure ("Form ADV Part 2") provides information regarding the qualifications, business practices, and the advisory services provided by Breakwater Capital Group's (Breakwater or "the Firm", "we", "us", "ours").

We were founded in 2022 and are owned and operated by Jeffrey C. Hanson, President.

We provide investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, and corporations or other business entities. Our investment advisory services include investment management, financial planning, consulting, and the selection of other advisors.

Types of Advisory Services

Financial Planning

We offer financial planning services, which may include a review of all aspects of a client's current financial situation, including the following components: cash management, risk management, insurance, education funding, goal setting, retirement planning, estate and charitable giving planning, tax planning, and capital needs planning. Clients understand that when are engaged to address only certain components, the client's overall financial and investment issues may not be taken into consideration.

We meet with the client to review risk tolerance, financial goals and objectives, and time horizons. Additional meetings may include a review of additional financial information; sources of income, assets owned, existing insurance, liabilities, wills, trusts, business agreements, tax returns, investments, and personal and family obligations.

The financial plan may include both long and short-term considerations, depending upon the individual scenario. Upon completion a plan is presented to the client and the client is provided with recommendations that are deemed to be compatible with the client's stated goals and objectives. An implementation schedule is reviewed with the client to determine which steps will be pursued, and with whom the steps may be accomplished. The client is under no obligation to utilize the Firm to implement the advice or plan. Clients may choose all or certain components of advice and recommendations and can implement the recommendations through the service providers of their choice.

Wealth Management

We typically provide a variety of wealth management services to individuals and families, in several areas of a client's financial situation, depending on their goals, objectives, and resources.

In Wealth Management engagements, we provide ongoing Financial Planning and Investment Management services as described above and we provide customized investment management solutions for our clients. We will manage advisory accounts on a discretionary or non-discretionary basis, as agreed upon with the client. We work with each client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio allocation.

We will then construct a portfolio consisting of exchange traded funds (“ETFs”), mutual funds, individual stocks and bonds, or other securities, including alternative investments. We may also provide advice about any type of legacy position or investment otherwise held in client portfolios.

Consulting

We also offer investment advice on a more limited basis. This may include advice on reviewing a client’s existing portfolio only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. Additionally, we may provide advice on non-securities matters; generally, in connection with the rendering of estate planning, insurance, and/or annuity advice.

Advice is provided through consultation with the client and may include determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Retirement Plan Advisory Services

We provide advisory services to retirement plans (each a “Plan”) and the company/sponsor of the Plan (the “Plan Sponsor”). Our retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Vendor Analysis
- Plan Participant Enrollment and Education Tracking
- Investment Policy Statement (“IPS”) Design and Monitoring
- Performance Reporting
- Ongoing Investment Recommendation and Assistance
- ERISA 404(c) Assistance
- Benchmarking Services

We will have the discretion to select the investments for the Plan and/or make investment decisions on behalf of Plan Participants.

Trustee Services

In limited circumstances, we may act as trustee for a client.

Use of Independent Managers

We may recommend that you authorize the active discretionary management of a portion of your assets by independent investment manager(s) (“Independent Manager(s)”). The terms and conditions under which you will engage the Independent Manager(s) will be set forth in a separate written agreement between you and the Independent Manager(s). We will continue to provide you with advice about the selection of Independent Manager(s) as well as monitoring and review of your investment objectives and account performance.

When selecting an Independent Manager for you, we will review information about them from their Form ADV, materials which they may supply and/or information from independent third parties. Factors that we consider in selecting Independent Manager(s) include your investment objective(s), and the Independent Manager’s investment style, performance, risks, reputation, financial strength, reporting, pricing, and research.

We do not receive compensation for the recommendation of Independent Managers.

Wrap Fee Programs

A “wrap-fee” program is one that provides the client with advisory and brokerage execution services for an all-inclusive fee. The client is not charged separate fees for the respective components of the total service. We do not sponsor, manage or participate in a Wrap Fee Program.

Fiduciary Statement

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act, (“ERISA”) and/or the Internal Revenue Code, (“IRC”), as applicable, which are laws governing retirement accounts.

We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. We must take into consideration each client’s objectives and act in the best interests of the client. We are prohibited from engaging in any activity that is in conflict with the interests of the client. We have the following responsibilities when working with a client:

- To render impartial advice;
- To make appropriate recommendations based on the client’s needs, financial circumstances, and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;
- To have a reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and

- Treat clients fairly and equitably.

Regulations prohibit us from:

- Employing any device, scheme, or artifice to defraud a client;
- Making any untrue statement of a material fact to a client or omitting to state a material fact when communicating with a client;
- Engaging in any act, practice, or course of business which operates or would operate as fraud or deceit upon a client; or
- Engaging in any manipulative act or practice with a client.

We will act with competence, dignity, integrity, and in an ethical manner, when working with clients. We will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

Tailored Relationships

We tailor advisory services to the individual needs of the client. Clients may place reasonable investment restrictions on their portfolios, including bans on investing in particular industries, and investing in limited amounts of securities. All limitations and restrictions placed on accounts must be presented to us in writing.

Assets Under Management

As of December 31, 2023, we manage \$579,733,946 in discretionary assets under management.

Item 5: Fees and Compensation

We base our fees on hourly charges, fixed fees, and a percentage of assets under management, which are described below.

Compensation – Financial Planning

Financial Planning fees will be charged in one of two ways:

- As a fixed fee, typically ranging from \$5,000 to \$20,000, depending on the nature and complexity of each client's circumstances, or
- On an hourly basis not to exceed \$500 per hour.

All financial planning fees are due in arrears, upon presentation of the financial plan.

Compensation – Wealth Management Services

Wealth Management fees are charged an annual fee as follows:

| Total Assets Under Management | Annual Fee |
|--------------------------------------|-------------------|
| First \$500,000 | 1.50% |
| \$500,000-\$1,000,000 | 1.25% |
| \$1,000,000-\$3,000,000 | 1.00% |
| \$3,000,000-\$5,000,000 | 0.75% |
| \$5,000,000-\$10,000,000 | 0.60% |
| \$10,000,000+ | 0.50% |

The asset-based fee will be paid monthly, in arrears, based upon the average daily market value of the Household Assets, including cash, for the previous month, as valued by the Custodian.

Compensation – Retirement Plan Advisory Services

Our fees for Retirement Plan Advisory Services are an asset-based fee based on overall assets in the plan or a consulting fee with the minimum fee being \$5,000; consulting services are on an hourly basis not to exceed \$500 per hour.

Compensation – Consulting Services

Our fees for consulting services are on an hourly basis not to exceed \$500 per hour. All consulting fees are due in arrears, upon completion of the engagement.

Compensation – Trustee Services

Our fees for trustee services are 0.15% -0.25% in addition to the wealth management fee or 0.50% when we are not serving in the capacity of the investment advisor.

Calculation, Payment and Termination

The specific manner in which we charge fees is established in a client's written agreement with us. Clients may elect to be invoiced directly for fees or to authorize us to directly debit fees from client accounts.

Either party may terminate an agreement at any time by notifying the other in writing. If the client made an advance payment, we would refund any unearned portion of the advance payment. If the client made a payment in arrears, we would collect any earned yet unpaid fees.

In no case will more than \$1,200 be collected from the client more than 6 months in advance.

Other Compensation

As disclosed in Item 10, certain IAR's receive insurance-related compensation, including compensation for the sale of fixed and equity indexed annuities, which are not securities.

Cash Balances

Some of your assets may be held as cash and remain uninvested. Holding a portion of your assets in cash and cash alternatives, i.e., money market fund shares, may be based on your desire to have an allocation to cash as an asset class, to support a phased market entrance strategy, to facilitate transaction execution, to have available funds for withdrawal needs or to pay fees or to provide for asset protection during periods of volatile market conditions. Your cash and cash equivalents will be subject to our investment advisory fees unless otherwise agreed upon. You may experience negative performance on the cash portion of your portfolio if the investment advisory fees charged are higher than the returns you receive from your cash.

Retirement Plan Rollover Recommendations

As part of our investment advisory services to our clients, we may recommend that clients roll assets from their employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will advise on the client's behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts.

If the client elects to roll the assets to an IRA that is subject to our advisement, we will charge the client an asset-based fee as set forth in the advisory agreement the client executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to the client (i.e., receipt of additional fee-based compensation). Clients are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if clients do complete the rollover, clients are under no obligation to have the assets in an IRA advised on by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in our clients' best interests and not put our interests ahead of our clients'.

Under this special rule's provisions, we must:

- meet a professional standard of care when making investment recommendations (give prudent advice);
- never put our financial interests ahead of our clients' when making recommendations (give loyal advice);
- avoid misleading statements about conflicts of interest, fees, and investments;
- follow policies and procedures designed to ensure that we give advice that is in our clients' best interests;
- charge no more than a reasonable fee for our services; and
- give clients basic information about conflicts of interest.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, clients should consider the costs and benefits of a rollover. Note that an employee will typically have four options in this situation:

1. leaving the funds in the employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide clients with an explanation of the advantages and disadvantages of both account types and document the basis for our belief that the rollover transaction we recommend is in your best interests.

General Information on Compensation and Other Fees

In certain circumstances, fees, account minimums and payment terms are negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low-cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to our fees, and we shall not receive any portion of these commissions, fees, and costs.

All fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund directly, without our services. In that case, the client would not receive our services, which are designed, among other things, to assist the client in determining which mutual funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

Item 6: Performance-Based Fees and Side-by-Side Management

“Performance-based fees” are fees based on the capital gains or capital appreciation in an account. We do not charge performance-based fees. “Side-by-side management” refers to the practice of managing both accounts that are charged a performance-based fee and accounts that are charged other types of fees, such as asset-based fees and hourly fees. Because we do not charge performance-based fees, we do not engage in side-by-side management.

Item 7: Types of Clients

Types of Clients

We provide services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, and corporations or other business entities.

Account Minimums

We have no minimum account size; however, we do have a minimum annual fee of \$5,000.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

We use fundamental analysis in formulating our investment advice and/or managing client assets.

Fundamental analysis attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Investment Strategies

We use long-term trading, short-term trading, margin transactions, and options writing (including covered options, uncovered options, or spreading strategies).

We may provide investment advice on such investments as limited partnerships and private placement partnerships, and oil and gas partnerships.

We reserve the right to advise clients on any other type of investment that we deem appropriate based on the client's stated goals and objectives. We may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

Risk of Loss

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

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. Although we manage assets in a manner consistent with your investment objectives and risk tolerance, there can be no guarantee that our efforts will be successful. You should be prepared to bear the following risks of loss:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external

factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties (i.e., Non-traded REITs and other alternative investments) are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Cybersecurity Risk:** A breach in cyber security refers to both intentional and unintentional events that may cause an account to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause an account to incur regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures, and/or financial loss.
- **Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
- **Custodial Risk:** This risk is the probability that a party to a transaction will be unable or unwilling to fulfill its contractual obligations either due to technological errors, control failures, malfeasance, or potential regulatory liabilities.

Item 9: Disciplinary Information

There have never been any legal, regulatory or disciplinary actions against the Firm or our management persons.

Item 10: Other Financial Industry Activities and Affiliations

Financial Industry Activities

We are not registered as a broker/dealer. We are not registered and do not have an application pending as a securities broker/dealer, futures commission merchant, commodity pool operator or commodity trading advisor.

We do not have arrangements that are material to our business and clients and investors with a related person who is an investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser, futures commission merchant, bank or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited liability companies.

Other Investment Advisors

We select other investment advisors for our clients. We do not receive any compensation for the selection of other managers.

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

Code of Ethics

Our employees must comply with a Code of Ethics and Statement for Insider Trading (the “Code”). The Code describes our high standard of business conduct, and fiduciary duty to our clients. The Code’s key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Our employees must acknowledge the terms of the Code at least annually, and any employee not in compliance with the Code may be subject to termination.

Participation or Interest in Client Transactions – Personal Securities Transactions

Both the Firm and our employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of the Firm will not interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. The Firm may maintain a list of restricted securities that employees may not purchase or sell based upon having (or possibly having) access to inside information. Employee trading is continually monitored under the Code and designed to reasonably prevent conflicts of interest between the Firm and our clients.

Participation or Interest in Client Transactions and Principal/Agency Cross Trades

We do not recommend any securities to our clients in which we have a material financial interest. We do not affect any principal or agency cross securities transactions for client accounts. We also do not cross trades between client accounts.

Participation or Interest in Client Transactions – Aggregation

Neither we nor our employees aggregate (block) trades with clients.

Item 12: Brokerage Practices

Research and Other Soft Dollar Benefits

We do not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions. See disclosure below in “Brokerage – Other Economic Benefits.”

Brokerage for Client Referrals

We do not receive client referrals from broker/dealers.

Directed Brokerage

While not routine, the client may direct us to use a particular broker/dealers to execute some or all transactions for the client. This brokerage direction must be requested by the client in writing. In that case, the client will negotiate terms and arrangements for the account with that broker/dealer, and we will not seek better execution services or prices from other broker/dealers or be able to “batch” client transactions for execution through other broker/dealers with orders for other accounts managed by us. By directing brokerage, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Not all advisers require or allow their clients to direct brokerage. Subject to our duty of best execution, we may decline a client’s request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

If the client requests us to arrange for the execution of securities brokerage transactions for the client’s account, we shall direct such transactions through broker/dealers that we reasonably believe will provide best execution. We shall periodically and systematically review our policies and procedures regarding recommending broker/dealers to our client in light of our duty to obtain best execution.

Directed Brokerage (Schwab)

We shall generally recommend that portfolio management clients establish brokerage accounts with Schwab, a registered broker/dealers, member FINRA, SIPC, to maintain custody of clients' assets and to effect trades for their accounts.

We are independently owned and operated and not affiliated with Schwab. Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis **and are not otherwise contingent upon our commitment to Schwab for any specific amount of business** (assets in custody or trading).

For our client accounts maintained there, Schwab is compensated through commissions or other transaction-related fees for securities trades that are executed through Schwab or that

settle into Schwab accounts. The brokerage commissions and/or transaction fees charged by Schwab, or any other designated broker/dealer are exclusive of and in addition to our fees.

Breakwater presently uses only one custodian, the fact this program is in place does not mean that Schwab's proprietary offerings will be given any special consideration or be the default option for client relationships where choice exists. Any product or service recommended is independent of this arrangement; a mix of factors, not solely the nature, cost, or quality of custody and brokerage services provided by Schwab are taken into account, though the existence of this relationship may create a potential conflict of interest and thus should be disclosed. This offering does provide a benefit to Breakwater since we do not incur that expense. Those savings are intended to positively impact client relationships by lowering overall costs. Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services.

We believe, however, when viewed in the aggregate our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that only benefit us.

Brokerage - Other Economic Benefits

We may have the opportunity to receive traditional "non-cash benefits" from broker/dealers such as customized statements; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk servicing advisors exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client portfolios; ability to have investment advisory fees deducted directly from client portfolios; access to an electronic communication network for client order entry and portfolio information; access to mutual funds which generally require significantly high minimum initial investments or those that are otherwise only generally available to institutional investors; reporting features; receipt of industry communications; and perhaps discounts on business-related products.

Broker/dealers may also provide general access to research and perhaps discounts on research products. Any research received is used for the benefit of all clients. We have no written or verbal arrangements whereby we receive soft dollars. While we endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of any additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

Trade Aggregation

We do not aggregate or block trades.

Item 13: Review of Accounts

Reviews

Jeffrey C. Hanson, President, reviews all of client's relevant information, including investment portfolios.

Portfolios are generally monitored on a quarterly basis; however, reviews could also occur at the time of new deposits, material changes in client's financial information, changes in economic cycles, at our discretion, or as often as the client directs. Reviews entail analyzing securities, sensitivity to overall markets, economic changes, investment results and asset allocation, etc., to ensure the investment strategy and expectations are structured to continue to meet clients' objectives.

Review Triggers

Other conditions that may trigger a review are changes in market, political or economic conditions, tax laws, new investment information, and changes in a client's own situation, (such as retirement, termination of employment, physical move, or inheritance).

Reporting

Each month, the custodian provides clients with an account statement for each client account, which may include individual holdings, cost basis information, deposits and withdrawals, accrued income, dividends, and performance. We may also provide clients with periodic reports regarding their holdings, allocations, and performance.

Financial Planning – Reviews and Reporting

The initial financial plan is included as a component of the financial planning service. Clients may receive updated financial plans for a separate fee.

Item 14: Client Referrals and Other Compensation

Other Compensation – Brokerage Arrangements and Insurance

See disclosures in Items 5 and 12 regarding compensation, including economic benefits received in connection with giving advice to clients.

Compensation – Client Referrals

Affiliated and Unaffiliated persons or entities (“Promoters”) may occasionally refer, solicit, or introduce clients to our Firm. In return, we may agree to compensate the Promoter for the referral. This compensation will be made consistent with the requirements of the Investment Advisers Act of 1940 and applicable state/local laws and regulations. Compensation to the Promoter is dependent on the prospective client entering into an advisory agreement with us for advisory services. Compensation to the Promoter will be an agreed-upon percentage of our advisory fee which can be a one-time fee or recurring, pursuant to a written agreement retained by both our Firm and the Promoter.

Item 15: Custody

Custody – Fee Debiting

Clients may authorize us (in the client agreement) to debit fees directly from their account at the broker/dealer, bank or other qualified custodian (“custodian”). The custodian is advised in writing of the limitation of our access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to the Firm.

Custody – Account Statements

Clients receive at least quarterly statements from the custodian that holds and maintains client’s investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the reports that we provide. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

We may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows us to execute trades on behalf of clients. When such limited powers exist between the Firm and the client, we have the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives.

If we have not been given discretionary authority, we consult with the client prior to each trade.

Item 17: Voting Client Securities

Proxy Voting

We do not have any authority to and do not vote proxies on behalf of clients, nor do we make any express or implied recommendation with respect to voting proxies. Clients retain the sole responsibility for receiving and voting proxies that they receive directly from either their custodian or transfer agents. Clients may contact us for information about proxy voting.

Item 18: Financial Information

We have no financial commitments that impair our ability to meet contractual and fiduciary commitments to clients and we have not been the subject of a bankruptcy proceeding.

We do not require prepayment of fees of both more than \$1,200 per client, **and** more than six months in advance; and therefore, we are not required to provide a balance sheet to clients.

We have not ever filed a bankruptcy petition.

Form ADV Part 2B – Investment Adviser Brochure Supplement

Breakwater Capital Group Form ADV Part 2B Investment Adviser Brochure Supplement

140 E. Ridgewood Avenue
Suite 415
Paramus, NJ 07652
(551) 342-3733

Supervisor's Name: Thomas J. Mullen
Jeffrey C. Hanson
Madeline R. Barconi
Thomas J. Mullen

999 18th Street
Suite 3000
Denver, CO 80202
(720) 817-8723

3 Allied Drive
Suite 303
Dedham, MA 02026
(339) 502-4200

March 2024

This Brochure Supplement provides information about the Firm's ("we," "us," "our") employees that supplements our Brochure. You should have received a copy of that Brochure. Please contact Thomas J. Mullen, Chief Compliance Officer and Chief Operations Officer, at (339) 502-4200 or thomas.mullen@breakwatercapitalgroup.com if you did not receive our Brochure or if you have any questions about the contents of this Supplement.

Additional information about our employee(s) referenced above is also available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number for each employee.

Item 2: Educational Background and Business Experience

Education and Business Background

We require that employees that provide investment advice have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisers must have work experience that demonstrates their aptitude for financial planning and investment management.

Supervised Persons

Jeffrey C. Hanson

CRD #: 4388385

Born 1978

Business Background:

Breakwater Capital Group

President

2023 to Present

President and Chief Compliance Officer

2022 to 2023

Fidelity Investments

2000 to 2022

Vice President / Financial Consultant

Formal Education after High School:

Fairfield University

Bachelor of Science in Biology/ Pre Med

Professional Designations:

CERTIFIED FINANCIAL PLANNER™ (CFP®)

Madeline R. Barconi

CRD #: 6571205

Born 1993

Business Background:

Breakwater Capital Group

2022 to Present

Partner, Head of Financial Planning & Sustainable Investing

Colorado Capital Management

2020 to 2022

Lead Financial Advisor

Fidelity Investments

2015 to 2022

Financial Consultant

Formal Education after High School:

University of Denver

Bachelor of Arts in Political Science and International Studies

Professional Designations:

Certified Divorce Financial Analyst® (CDFA®)

Certified Financial Planner™ (CFP®)

Chartered Financial Consultant (ChFC)

Thomas J. Mullen

1977

CRD #: 4386056

Business Background:

Breakwater Capital Group

2023 to Present

Chief Compliance Officer and Chief Operations Officer

Fidelity Brokerage Services LLC

Vice President, Branch Leader

2020 to 2023

Assistant Branch Manager

2015 to 2020

Managed Accounts, Regional Sales Director

2011 to 2015

Formal Education after High School:

Boston College

Bachelor of Science in Marketing

Professional Designations:

CERTIFIED FINANCIAL PLANNER™ (CFP®)

College Funding and Student Loan Advisor (CFSLA)

Professional Certifications

Our employees maintain professional designations, which required the following minimum requirements:

| | <i>CDFA® – Certified Divorce Financial Analyst®</i> |
|--|---|
| Issued By | The Institute for Divorce Financial Analysts |
| Prerequisites | Three years of experience in the financial services field, accounting or family law |
| Education Requirements | None |
| Exam Type | 4 module self-study courses, with a computer exam after module three, open-book case study exam after module four |
| Continuing Education Requirements | 15 divorce-specific hours every two years |

CERTIFIED FINANCIAL PLANNER™ (CFP®)

| | |
|--|---|
| Issued By | Certified Financial Planner Board of Standards, Inc. |
| Prerequisites | <p>Candidate must meet the following requirements:</p> <ul style="list-style-type: none"> • A bachelor's degree (or higher) from an accredited college or university, and • 3 years of full-time personal financial planning experience |
| Education Requirements | <p>Candidate must complete a CFP®-board registered program, or hold one of the following:</p> <ul style="list-style-type: none"> • CPA • ChFC • Chartered Life Underwriter (CLU) • CFA • Ph.D. in business or economics • Doctor of Business Administration • Attorney's License |
| Exam Type | CFP® Certification Examination |
| Continuing Education Requirements | 30 hours every 2 years |

Chartered Financial Consultant (ChFC)

| | |
|--|---|
| Issued By | The American College |
| Prerequisites | <p>Candidate must meet the following requirements:</p> <ul style="list-style-type: none"> • 3 years of full-time business experience within the five years preceding the awarding of the designation |
| Education Requirements | 6 core and 2 elective courses |
| Exam Type | Final proctored exam for each course |
| Continuing Education Requirements | 30 CE credits every 2 years |

College Funding and Student Loan Advisor (CFSLA)

| | |
|----------------------|--|
| Issued By | PayForED |
| Prerequisites | <p>Candidate must have the following requirements:</p> <ul style="list-style-type: none"> • License and/or registration in a regulated financial services industry or tax field, <i>i.e.</i>, brokerage, investment advisor services, insurance certified public accountant (CPA) or enrolled agent (EA) and |

- Two years of industry experience in financial services or a bachelor's degree in business or finance from an accredited college or university

| | |
|--|--------------------------------|
| Education Requirements | Online, self-study course |
| Exam Type | Online, open-book course exams |
| Continuing Education Requirements | 10 credits every 2 years |

Item 3: Disciplinary Information

Neither we nor any of the nor any employees named in this Form ADV Part 2B have been involved in any activities resulting in a disciplinary disclosure.

Item 4: Other Business Activities

No Supervised Person has any outside business activities.

Item 5: Additional Compensation

No Supervised Person receives any economic benefit outside of regular salaries or bonuses related to amount of sales, client referrals or new accounts.

Item 6: Supervision

Thomas J. Mullen, Chief Compliance Officer and Chief Operations Officer, supervises all persons named in this Form ADV Part 2B Investment Adviser Brochure Supplement. Thomas J. Mullen supervises these persons by holding regular staff, investment, and other ad hoc meetings. In addition, Thomas J. Mullen regularly reviews client reports, emails, and trading, as well as employees' personal securities transaction and holdings reports. Thomas J. Mullen may be reached at (339) 502-4200.