

Executive Financial Services, Inc.
doing business as

“CND Financial”

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March 29, 2024

FORM ADV PART
2A BROCHURE

This Brochure provides information about the qualifications and business practices of Executive Financial Services, Inc., doing business as “CND Financial”. If you have any questions about the contents of this Brochure, please contact us at (734) 427-2030. The information in this Brochure has not been approved or verified by the State of Michigan’s Department of Licensing and Regulatory Affairs or the United States Securities and Exchange Commission (“SEC”).

CND Financial is a registered investment adviser. Registration does not imply a certain level of skill or training. Additional information about Executive Financial Services d/b/a CND Financial is also available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD Number for Executive Financial Services d/b/a CND Financial is 110180 and the SEC Filing Number is 801-121895.

MATERIAL CHANGES

Executive Financial Services, Inc., *doing business as* “CND Financial” filed this Form ADV 2A Brochure with the United States Securities and Exchange Commission (“SEC”) on March 29, 2024.

Registered Investment Advisers are required to report updates in the business and service information contained in their Form ADV 1 and ADV 2 Brochures according to the following schedule: 1) Promptly throughout the year when material changes occur and 2) No less than annually, within 90 days of the Adviser’s fiscal year end. Each year, we may send you a letter summarizing the Brochure amendments along with an offer to deliver the ADV 2A Brochure in its entirety or we may send you the ADV 2A Brochure in its entirety, including this Material Changes page.

The March 29, 2024 ADV 2A Brochure includes the following updates since the last filing on March 24, 2023:

Item 4 E.: CND Financial reported its fiscal year end assets under management. As of the close of business on December 31, 2023, we managed \$154,400,000 for 190 clients.

Item 10 C.: Mr. Cole is also part Owner of CAMA LLC and DTC Building LLC, real estate interests, in addition to others listed at 10.C. These are non-investment-related companies and require a minimal amount of Mr. Cole’s time.

There are no other material changes to report. We always look forward to hearing from our clients. If you should have any questions regarding the contents of this Brochure or if we can be of any assistance, never hesitate to contact our office.

Thank you,

Arthur Cole, CPA/PFS
President and Chief Compliance Officer
(734) 427-2030

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ADV 2B Brochures follow

ITEM 4: ADVISORY BUSINESS

4.A Description of Investment Adviser

Executive Financial Services, Inc., doing business as “CND Financial” (or “Adviser”), is a fee-only Registered Investment Adviser. The Adviser was established on April 10, 2000, and is headquartered in Livonia, Michigan. CND Financial is registered with and regulated by the United States Securities and Exchange Commission (“SEC”). CND Financial is not publicly owned or traded. Arthur R. Cole, CPA/PFS is the President, Chief Compliance Officer and 50% equity owner. William Mack, CFP®, CFS® is the Vice President and 40% equity owner. Theodore Karl Bugenski, CFP®, CFS® is the Secretary and 10% equity owner. There are no indirect owners of the Adviser or intermediaries which have any ownership interest in the firm.

The term “*fee-only*” means CND Financial and its Adviser Representatives are compensated for services via advisory fees paid by clients. CND Financial and its Adviser Representatives do not accept brokerage or insurance commissions. Adviser Representatives are not otherwise engaged as registered representatives of a broker/dealer nor are they insurance agents.

“*Adviser Representatives*” are those persons registered and authorized by CND Financial to provide financial and investment advisory services on behalf of CND Financial.

CND Financial is not a broker/dealer or custodian. Client assets are managed on an individualized basis. CND Financial does not sponsor or manage any wrap programs. CND Financial is a fiduciary to each of its clients.

4.B Types of Services

Investment Management and Financial Planning / Consultation Services

CND Financial offers advisory services to individual investors, retirement plans, trusts, estates, charitable organizations, corporations, and other businesses.

CND Financial offers a complimentary general consultation to discuss financial and investment advisory services available; to give a prospective client an opportunity to review services desired; and to determine the possibility of a potential Client-Adviser relationship. CND Financial and its Adviser Representatives may recommend the services of CND Financial. Prospective clients are never obligated to engage services after the complimentary consultation. CND Financial’s services begin only after the client and Adviser formalize the relationship with a properly executed client Investment Management Agreement.

After the formal engagement and depending upon the scope of the engagement, the Adviser and client will share in a data gathering and discovery process in an effort to determine the client’s needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client and the nature of services requested. The client and Adviser may complete a risk assessment, investment policy statement or similar document, depending upon the nature of services to be provided.

4.B(1) Investment Management Services

Investment Management Services involve ongoing and continuous portfolio management services. CND Financial focuses on providing individualized services that are tailored to meet the stated needs and objectives of the client. Investment Management Services are tailored for portfolios with a minimum of \$250,000, however CND Financial can evaluate each potential client relationship on a case-by-case basis. In the delivery of initial and ongoing services, the Adviser will normally include a comprehensive review of the overall aspects of a client’s current financial situation and consider both long and short-term stated objectives and goals, or as directed by the client. After an analysis and data-gathering process and

depending upon the nature of services desired, the Adviser will engage in the following:

- Existing portfolio review and analysis
- Preparation of asset allocation recommendations
- Preparation of a customized investment policy / strategy with the client's participation
- Recommendation of specific investments
- Implementation of the investment plan
- Ongoing management of the client's investment portfolio

Investment Management clients should play an active role in the formation of the investment plan and the development of investment advice and recommendations. CND Financial will invest client assets taking into consideration the overall management style and portfolio strategy selected by the client. The strategies will range from conservative to moderately aggressive in nature, and include actively managed funds and index mutual funds, exchange traded funds and fixed income investments.

CND Financial will normally utilize proprietary investment strategies as described in Item 8 of this Brochure. CND Financial attempts to construct a diversified portfolio of investment recommendations that are within its realm of expertise. For a more detailed description of the adviser's investment strategies and how they are implemented refer to Item 8, *"Methods of Analysis, Investment Strategies and Risk of Loss"*. In each case, the stated individual needs, goals and desires of clients are taken into consideration.

CND Financial will maintain limited discretionary authority over the client's managed portfolio as authorized in the client Investment Management Agreement. The client may impose reasonable restrictions on investing in certain types of securities by telling us verbally or in writing. Where clients retain CND Financial on a non-discretionary basis, the client is welcome to implement recommendations in whole or in part via the financial services provider(s) of their choice. CND Financial may assist in the implementation of these recommendations with client's authorization.

As financial planners, CND Financial is available to assist Investment Management Clients with topics normally associated with Financial Planning. These additional services are client-initiated, value-added services and described in more detail in Item 4.B(2) of this Brochure. Services and investment recommendations in connection with assets invested in employer retirement plans are limited to options available within the plan and via the plan's contracted service providers.

CND Financial's Investment Management Services include ongoing investment advice, investment tracking, performance monitoring and if requested, financial planning services. In providing ongoing investment management services, CND Financial will manage the client's funds in accordance with the investment policy/strategy as selected by the client. The portfolio assets will be reviewed internally on a frequent basis (generally quarterly or more often), depending upon the types of investments, market conditions, at the discretion of the Adviser, or as may be specifically requested by the client via written direction.

Communication between the Client and Adviser is important. Clients may call the office during regular business hours to discuss their portfolio and make inquiries. In addition, CND Financial recommends that clients initiate a meeting with the Adviser no less than annually and review their investment strategies. *However, clients must immediately inform the Adviser of any changes in their financial situation to provide CND Financial with the opportunity to review the portfolio to ensure it is still structured to help meet the client's stated needs and objectives.*

4.B(2) Financial Planning – Consultations (Hourly Services)

CND Financial offers hourly Financial Planning and Consultation Services for non-investment

management clients. Financial Planning services may be comprehensive in nature (involving the development of a written plan or a review of an existing plan for potential updates) or services can be limited to consultations to address only certain components of financial planning as the client directs. Topics could include but are not limited to: Retirement planning, tax strategies, college funding, expense reduction and 401(k) account reviews.

Financial Planning Services generally involve the use of long-term strategies. Where CND Financial provides portfolio review services or advice, the information and recommendations are based on then-current information as provided by the client. Recommendations may include annual reviews to ensure the plan developed continues to align with the Client's stated goals and objectives. Clients are welcome, but are never obligated, to retain the Adviser for additional or follow-up services via a new or amended client agreement.

Where CND Financial's services focus only on certain aspects of client interests and needs or are otherwise limited in scope or time, clients must understand that a client's overall financial and investment needs, liabilities and objectives may not be considered because of time and/or service restraints placed on the Adviser's services or due to limited information provided to CND Financial. CND Financial may agree to include these other assets in the documentation prepared for the client (if provided) as a value-added service only. Depending on the level of service(s) requested, CND Financial may prepare a written financial plan, reports, or post-meeting communication(s) at the discretion of the Adviser.

When providing advice on investments within retirement plans, the advice and any recommendations are limited to plan offerings.

Clients requiring assistance on issues relating to matters outside of financial and investment advisory topics should consult their personal tax adviser, legal counsel, or other professionals for expert opinions.

Hourly Financial Planning Services will not include portfolio monitoring, investment reviews, investment management and implementation of advice and/or recommendations pertaining to securities or non-securities matters. In these cases, the client is welcome to implement advice/recommendations in whole or in part, entirely at the client's discretion via the service provider(s) of the client's choice.

Financial planning services are hourly based and are not ongoing services. The services to be provided and the Adviser's fee(s) are agreed upon at the time of engagement. If the client wishes to initiate any follow-up or review services, these services will be provided under a new hourly client agreement. CND Financial will not provide additional services that will result in additional fees without the client's prior approval and a new or amended client agreement.

Note: These same services are otherwise included in the Adviser's Investment Management Services Agreement for investment clients (at no additional cost) and initiated at the request of the client.

4. C Client Tailored Services and Client Imposed Restrictions

CND Financial focuses on providing individualized services and can tailor services to focus only on certain portfolio components and certain components of financial planning. In providing consultation services, clients determine their topics of interest and the scope of services desired. Services are agreed to at the time of engagement. However, where client services or information provided to the Adviser are limited, clients must understand that comprehensive financial and/or investment needs and objectives may not be fully considered due to the client's option to receive limited services, the lack of information received, and/or client disclosure.

Clients may impose reasonable restrictions on investing in certain securities or types of securities, as agreed to by the Adviser. Clients are welcome to set parameters on the Adviser's limited discretionary authority in writing as to types of investments and amounts purchased or sold.

Where clients retain authority to implement recommendations, they are welcome to do so in whole or in part via the financial services provider(s) of their choice.

Retirement Plan / IRA Rollovers: CND Financial is a fiduciary to each of its clients and fiduciary duties apply to investment advice in connection with the client's retirement plan account or individual retirement account within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. CND Financial charges asset-based fees for managed accounts and this creates some conflicts with client interests. Therefore, CND Financial must operate under a special rule that requires the Adviser to act in the client's best interest and not put the firm's interests ahead of the client. At the time of a rollover recommendation, CND Financial will provide the client with a written disclosure discussing the reasons the rollover is in the client's best interests. Also, under this special rule's provisions, CND Financial must:

- Meet the Prudent Expert standard of care when making investment recommendations
- Abide by a duty of loyalty by never putting the Adviser's financial interests ahead of the client's interests when making recommendations
- Provide basic information about conflicts of interests and fees while avoiding misleading statements about these topics and investments
- Follow policies and procedures designed to ensure that CND Financial gives advice that is in the client's best interest
- Charge no more than is reasonable for services

Certain clients may engage in self-directed transactions. As mutual fund specialists, we generally do not recommend investing in individual stocks, preferring instead the broad diversification offered by stock mutual funds. That being said, we will accommodate clients if they would like to self-direct us to buy and sell stocks for their account(s) as a courtesy. If this is the case, the client will authorize in writing, via our client Investment Management Agreement, acknowledging that they assume sole responsibility for the performance and buy/sell decisions related to these individual stocks. As such, CND Financial bears no liability or responsibility with respect to these individual stocks, and therefore does not assess advisory fees on such stocks. Stocks that are self-managed by the client do not receive a suitability review by CND Financial. These stocks will be identified as "exempt assets" with respect to billing/fees.

If instead, you request that we accept individual stocks into your account(s) and would like CND Financial to manage those positions, normal CND Financial fees will apply. This request would need to be authorized in writing via our client Investment Management Agreement. CND Financial will monitor client stock positions. Decision making is limited to a "hold" recommendation, or a "sell and reinvest in mutual funds" recommendation. CND Financial utilizes a mathematical model combining the opinions and ratings of companies such as Standards & Poor, Morningstar and Charles Schwab & Co. If the stock's combined rating becomes downgraded, CND Financial would implement its "sell and reinvest in mutual funds" recommendation.

In granting CND Financial limited discretionary authority, CND Financial will take action on these holdings in accordance with client's designed investment objectives and strategies. As with any investments we manage, there is no guarantee that CND Financial's investment decisions will be profitable.

4.D Wrap Fee Programs

CND Financial does not recommend wrap fee programs nor does the Adviser sponsor or act as a manager of a wrap fee program.

4. E ASSETS UNDER MANAGEMENT

CND Financial's assets under management as of the close of business on December 31, 2023 totaled \$154,400,000 for 190 clients.

ITEM 5: FEES AND COMPENSATION

5.A Compensation

CND Financial is only compensated for advisory services in the following manner: A percentage of assets under management or hourly fees. CND Financial does not accept commissions or any other fees in connection with its investment advisory services.

5.A(1) Investment Management fees are agreed upon at the time of engagement and are based on a number of factors. The annual Investment Management fee schedule is as follows:

- 1.00% of the first \$1,000,000
- 0.80% of the next \$500,000
- 0.60% on assets over \$1,500,000

The management fee is billed quarterly and in advance of services. The quarterly fee is calculated by multiplying the portfolio value by $\frac{1}{4}$ of the annual fee. The portfolio value is determined by the client's custodian and the billable figure is based upon the value as of the last market day of the preceding quarter. A pro-rata fee is calculated for services initiated at any time other than at the beginning of a calendar quarter. In the rare case where there is an absence of an asset value (via the custodian); the Adviser will utilize at least one independent third party to assess the holding's value.

CND Financial's annual investment management fee may be modified based upon the nature of the engagement, scope and/or complexity of services and/or portfolio, anticipated efforts incurred by investment personnel, pre-existing relationships, or other special situations or factors at the Adviser's discretion. CND Financial's fee may be higher or lower than may otherwise be available through other types of advisory firms for similar services.

CND Financial does not calculate fees based on a percentage of capital gains or appreciation in client accounts (no "performance fees"). CNDF's fees are for investment advisory services only and do not include any other professional services that may be required by you to implement recommendations made by CNDF.

Either party may immediately **terminate Investment Management services** by written notice to the other at any time and without penalty

5.A(2) Hourly Fees for Financial Planning / Consultation Services are agreed upon at the time of engagement and apply to those clients who are not Investment Management clients of CND Financial. Compensation is based on an hourly rate for the time spent by respective personnel and fees are invoiced directly:

CPA/Personal Financial Specialist™ *or* Certified Financial Planner™: \$250
Chartered Financial Analyst™: \$250
Financial Planner: \$200
Clerical: \$60

Should the client's condition change during the course of services such that new advice, recommendations or research are required, additional fees may apply. The Adviser will not engage in additional services that result in fees without a new or modified client agreement and the client's approval.

Either party may immediately **terminate Financial Planning / Consultation Services** by written notice to the other at any time and without penalty. In addition, CND Financial offers an unconditional refund of Financial Planning or Consulting fees if requested within ten (10) days of the presentation of the plan or advice. This may be the case if the client subsequently contracts CND Financial for investment management services or if the client should determine the plan is unacceptable.

5.B PAYMENT OF ADVISORY FEES

5.B(1) Payment of Investment Management fees may be made directly to the Adviser or through a debit to the client's account via the qualified custodian holding the client's funds and securities. The Adviser adheres to the following criteria when payment is made via a qualified custodian as required by the SEC's Investment Advisers Act and the rules thereunder: (1) The client provides written authorization permitting the fees to be paid directly from the client's account held by the independent qualified custodian and the authorization is limited to withdrawing contractually agreed upon investment adviser fees; (2) The client will directly receive regular (monthly or quarterly) account statements from the qualified custodian which reflect the Adviser's fee deduction; (3) The frequency of fee withdrawal shall be specified in the written authorization and/or agreement; (4) The custodian of the account shall be advised in writing of the limitation on the Adviser's access to the account and; (5) The client shall be able to terminate the written billing authorization or agreement at any time.

If the designated account(s) do not contain sufficient funds to pay advisory fees, the client can leave standing orders to deduct fees via other accounts. In the absence of alternate instructions, the Adviser will issue an invoice for advisory fees to the client and payment is expected upon receipt.

It is important to note that custodial firms do not verify advisory fees. Therefore, clients should review their custodial statements carefully. If a client should have any questions or concerns in connection with an advisory fee deduction, they should promptly contact CND Financial. If at any time during the engagement, the client fails to receive the regular account statements produced by the custodian, it is important for the client to promptly notify CND Financial and the custodial firm.

If the Adviser's Form ADV 2A Brochure is not delivered at least 48 hours prior to engagement, the client may **terminate Investment Management Services** within 5 days without penalty and the Adviser will promptly refund any pre-paid fees. Alternatively, either party may immediately terminate services upon written notice to the other. If termination occurs prior to the end of a billable quarter, the client will receive a pro-rated refund of unearned fees (the balance of the pre-paid quarter). The client does not have to request this refund, as CND Financial will calculate the refund promptly upon receipt of the termination notice.

5.B(2) Financial Planning / Consultations Fees are paid directly by the Client to the Adviser and invoiced hourly and in arrears. However, as previously noted, Investment Management clients do not pay separate fees for the planning services included with these services and as set forth in the Investment Management client agreement.

5.C CLIENTS ARE RESPONSIBLE FOR FEES ASSOCIATED WITH INVESTING

CND Financial does not receive any portion of fees charged by the clients' service providers. Clients are responsible for the payment of all third-party fees associated with investing. Examples of these fees may include but are not limited to: Clients may pay transaction and brokerage commission to their broker/dealer or other service providers ("*Financial Institution[s]*") as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, wire transfer, retirement plan, trust fees, and all such applicable third party 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. All fees paid to the Adviser for Advisory services are separate from the fees and expenses charged to shareholders of ETF's or mutual fund shares offered by mutual fund companies. Clients may incur short-term redemption fees charged by the custodian if a holding is sold before a 90-day holding period has expired. In addition to custodian's fee, the client may incur a short-term redemption fee from the mutual fund company (as disclosed in the fund prospectus) if the holding is sold before the specified holding period expires (normally from 30 days to 180 days). The redemption fee will reduce the proceeds from the sale of the mutual fund. If a mutual fund previously purchased by or selected by a client should impose a sales charge, a client may pay an initial or deferred sales charge.

CND Financial does not receive any portion of additional investment-related fees. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fees. A complete explanation of the expenses charged by a mutual fund or ETF is contained in the respective fund prospectus. Clients are encouraged to read each prospectus and securities offering documents. CND Financial will from time to time make decisions to buy or sell positions that may incur additional fees.

5.D PRE-PAYMENT OF FEES

As described at Item 5.A(1), Investment Management fees are paid quarterly and in advance of services.

For clients not engaging Investment Management Services, the Adviser's Financial Planning / Consultation Services are invoiced hourly in arrears. Please reference Item 5.A(1) for termination and refund information.

5.E OTHER COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

CND Financial is a *fee-only* Registered Investment Adviser. Neither CND Financial nor its Adviser Representatives accept any other compensation/commission for the recommendation of securities or non-securities products including asset-based sales charges or service fees from the sale of mutual funds.

ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

CND Financial's fees are not "performance based" (based upon a share of capital gains or capital appreciation, or performance, for any portion of funds under an advisory contract). Therefore, the Adviser does not engage in side-by-side management services.

ITEM 7: TYPES OF CLIENTS

Types of clients include individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. Our minimum portfolio size is \$250,000, which may be negotiable depending on the circumstances of the client, (i.e., potential to save), or as a courtesy to an existing client. CND Financial reserves the right, in its sole discretion, to decline any new account.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

CND Financial attempts to measure an investor's stated goals, risk tolerance and investment timeframe through discussions, meetings with clients and the financial and investment data disclosed to the Adviser, to determine which of our five investment strategies is appropriate for the client. Once the client approves the recommended strategy, an Investment Policy Statement is agreed upon which outlines the specific asset allocation strategy, with a specific risk profile. The Investment Policy Statement outlines the equity and fixed income exposure and provides the parameters that will be used in managing the account.

8.A Methods of Analysis

Methods of securities analysis will include fundamental analysis and technical analysis.

1. Fundamental Analysis seeks to understand risks and the qualities associated with the fund's management. In analyzing a fund, a fundamental analyst normally examines concentration, sector matchups, stock and bond strategies, and other elements of fund's portfolio construction and management. Fundamental Analysis is a long-term strategy.

Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and company-specific factors (like financial condition and management). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price, with the aim of determining what sort of position to take with that security. This method of security analysis is considered to be the opposite of technical analysis.

Sector Prospects of the Fund

Every mutual fund has a certain amount of exposure to a particular sector. The Adviser will analyze a fund's strategy and examine the sector in which the fund has the highest exposure and how that sector is performing. The Adviser will also review the impact of macro-economic conditions on that sector as a whole.

Financial Valuation of the Fund

The financial valuation of a fund can be determined by its P/E (price to earnings) ratio. The P/E is derived by using a weighted average of underlying stocks. Basically, it is the average of the P/E of all the stocks that are present in a fund's portfolio. A higher P/E ratio of the scheme indicates that the stocks in the scheme are valued at a premium. This reflects a growth-based approach of the fund manager. On the other hand, a lower P/E indicates a conservative approach of the fund manager. Here, the fund manager looks for stocks whose stock prices have been beaten down and there is a hope for these prices to rise significantly in the future. Such stocks yield great results over a longer period of time.

Fundamental analysis is not without its drawbacks and challenges. For one, this method can be tedious and time consuming. Once a trend in the fundamentals of the company is established, normally, the future growth will be extrapolated using that trend. The extrapolation is a subjective exercise and should be cautiously assessed. For example, the trend may still be up, but the market may already be saturated and thus there is a higher chance of the trend flattening rather than continuing upward. Extrapolation may not always work and may result in an incorrect decision. In addition to the above, this analysis method involves a time delay since the financial data the analyst is in the process of reviewing is always from the previous year or previous quarter. Additionally, if a fundamentally strong fund at the right price is identified, it does not mean that the shares are going to move anytime soon. Therefore, some holdings may need to be held for quite some time. A fund's position in the market is also driven by investor sentiment.

2. Technical Analysis is a method of evaluating securities by analyzing the statistics generated by market activity, such as past prices and volume. There are multiple technical analysis methods that can be employed. Generally speaking, technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. The field of technical analysis is based on three assumptions: 1) The market discounts everything; 2) Price moves in trends and; 3) History tends to repeat itself.

Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity through the study of past market data, primarily price and volume. Technical analysis of mutual funds examines price movements and price-related trends, such as sales volume while the fundamental analysis of mutual funds examines the intrinsic values of the stocks in the fund. Technical analysts generally believe these fundamental values are already represented in the prices of the fund's stocks.

For technical analysts, the most important aspects are a mutual fund's price history and identifying trends therein, which records investor behavior and indicates investor sentiment.

Technical Analysis can be difficult, as analysts need to learn various indicators and patterns and understand how they relate to investor sentiment and behavior. Analysts also have to devise methods of how these issues may impact stock price. Like other analysis methods, technical analysis is not 100% percent accurate or reliable. Often there can be contradicting results which may result in a situation where no trade can be made. An example of this exists when the overall market is heading in one direction and the particular fund price is pointing to the opposite direction. The interpretation of technical indicators is subjective. The same indicator could be interpreted as bullish by one side of the camp and as bearish by the other side of the technical camp. The subjective aspect of technical analysis gives way to another drawback of technical analysis which is the validation of a biased view. The analyst may have already formed a view based on the state the economy is currently or the situation of the market and sector in which the company operates.

CND Financial participates in company-held conference calls and manager interviews. Company provided data may not always be the most objective, therefore, the Adviser may conduct its own internal research.

Numerous publicly available sources of economic, financial and investment research are used by the Adviser. Asset allocation software and historical performance modeling software may also be utilized. As with any data produced by third parties, there is always the possibility that the company's data has been manipulated (against regulatory rules). It does happen and it can be very difficult to detect. Thus, an analyst is limited by the data that is published.

It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear and there is no single strategy that can guarantee success.

Investment Strategies

CND Financial uses five different investment strategies utilizing funds, ranging from conservative to an aggressive growth. Investment strategies may include long-term purchases (securities held at least 3-5 years) and short-term purchases (securities held 1 year or less), depending on the stated specific needs of a client. These strategies are typically implemented using no-load mutual funds across several different asset classes. The major asset classes the Adviser commonly recommends are Cash and Cash Equivalents, Mutual Funds, Exchange Traded Funds and Fixed Income Securities. CND Financial rarely recommends stocks investments.

As part of our ongoing research, we analyze thousands of actively managed and index mutual funds, as well as Exchange Traded Funds (ETFs). When it is warranted, we will replace a fund in a strategy if we determine that it no longer meets our objectives.

In general, CND Financial does not recommend or select funds focused on specific sectors such as Biotechnology, Utilities, Natural Resources, etc. The Adviser's recommendations provide exposure to these sectors through funds that invest in a broad asset class.

CND Financial generally recommends no-load mutual funds or Exchange-Traded Funds (ETF's) that represent either an index or managed portfolio of individual securities diversified within the target asset class. When recommending a specific fund, we utilize services such as Morningstar to analyze many factors, some of which include no-load (or load- waived funds), expense ratio, performance, style, category ranking within asset class, manager tenure, market capitalization, and turnover ratio. The Adviser also utilizes many sources of public information to include financial news and research materials.

Investing inherently involves risk. Due to conditions beyond the advisers' control (i.e., downturns in the U.S. and foreign economies, default risk when investing in bonds, etc.), investing in a selected strategy based on a client's risk tolerance may not yield the desired outcome. Our strategies include the following:

GLOBAL DEFENSIVE BALANCED STRATEGY

The investment objective of this Strategy is to maximize long-term total return while minimizing the frequency and magnitude of a 12-month decline in portfolio value in excess of 2.5%. Although this is the stated goal of the risk-management strategy, declines in excess of 2.5% can occur during periods of high volatility, such as an extreme bear market. As a result, the portfolio will consist of a combination of growth and income-oriented investments, with a slight emphasis on growth-oriented assets. This portfolio Strategy is designed for the highly conservative investor.

GLOBAL CONSERVATIVE BALANCED STRATEGY

The investment objective of this Strategy is to maximize long-term total return while minimizing the frequency and magnitude of a 12-month decline in portfolio value in excess of 5%. Although this is the stated goal of the risk-management strategy, declines in excess of 5% can occur during periods of high volatility, such as an extreme bear market. As a result, the portfolio will consist of a combination of growth and income-oriented investments, with a slight emphasis on growth-oriented assets. This portfolio Strategy is designed for the conservative investor.

GLOBAL BALANCED STRATEGY

The investment objective of this Strategy is to maximize long-term total return while minimizing the frequency and magnitude of a 12-month decline in portfolio value in excess of 10%. Although this is the stated goal of the risk-management strategy, declines in excess of 10% can occur during periods of high volatility, such as an extreme bear market. As a result, the portfolio will consist of a combination of growth

and income-oriented investments, with a slight emphasis on growth-oriented assets. This portfolio Strategy is designed for the moderate investor.

GLOBAL EQUITY-TILTED STRATEGY

The investment objective of this Strategy is to maximize long-term total return while minimizing the frequency and magnitude of a 12-month decline in portfolio value in excess of 15%. Although this is the stated goal of the risk-management strategy, declines in excess of 15% can occur during periods of high volatility, such as an extreme bear market. As a result, the portfolio will consist of a combination of growth and income-oriented investments, with a slight emphasis on growth-oriented assets. This portfolio Strategy is designed for the moderately aggressive investor.

GLOBAL EQUITY STRATEGY

The investment objective for the Equity portfolio is high long-term returns. As a result, the portfolio will consist primarily of growth-oriented investments, primarily equities, though it may also include non-equity investments. The portfolio's downside risk potential is comparable to the overall equity market and the portfolio may experience losses that are commensurate with those of the equity market. Although this is the stated goal of the risk-management strategy, declines in excess of the equity market can occur during periods of high volatility, such as an extreme bear market. This portfolio Strategy is designed for the aggressive investor.

Other Information

Portfolio holdings or recommendations are generally based on (managers' or investments') experience, track record and performance of like-kind investments. The Adviser will actively manage each portfolio. The Adviser generally looks to the long-term when developing advice and recommendations based upon information provided by the client.

CND Financial will manage an individual stock if requested. CND Financial utilizes a mathematical model combining the opinions and ratings of companies such as Standards & Poor, Morningstar and Charles Schwab & Co. Should a stock you request CND Financial to hold have its combined rating fall below a predesignated level, CND Financial would implement its "sell and reinvest in mutual funds" recommendation. Due to the lack of diversification with individual stocks CND generally does not recommend individual replacement stocks. There is no guarantee recommendation would be profitable.

Changing conditions in the client's financial life or significant changes in market conditions may warrant a collaborative effort with the client to modify their strategic investment framework, which consequently may also trigger changes to investment holdings within the portfolio.

8.B Material Risks

Investing in securities carries risk of loss which clients must be prepared to bear. There are risks associated with investing including possible loss of principal.

CND Financial develops investment strategies that attempt to minimize risk beyond that of the general domestic and / or international equity markets. CND Financial will recommend a strategy that aligns with a client's stated goals and risk profile. There is no assurance that a chosen strategy will fulfill a client's objective or eliminate all risk.

As outlined below, CND Financial's goal in its analysis is not to time the market. CND Financial takes the general position that investors with diverse portfolios have a better chance of making a profit because it is difficult to accurately predict the movement of the economy, or the impact of inflation. Obviously, no single

strategy can be relied upon to outperform the market.

8.C Risk of Specific Investments

Investments in mutual funds and exchange-traded funds may bear a risk of investment loss. Clients who invest should also be prepared to bear a loss of investment proceeds.

Rarely, the client's portfolio will contain one or more stock investments. Typically, this will occur with a pre-existing purchase the client wishes to retain. Investments in individual stocks can be risky. Common stocks are susceptible to market fluctuations and to volatile increases and decreases in value as investors' confidence in and perceptions of their issuers change. Some risks can be controlled, and some risks can be guarded against, but no strategy can carry guarantees from loss. Certain market risks cannot be controlled, such as market or economic conditions. Investments in common stocks are subject to the risk that in the event of a company's liquidation, the holders of preferred stock and creditors will be paid in full before any payments are made to holders of common stock.

Foreign investing involves special risks, such as risk of loss from currency fluctuation or political or economic uncertainty. Investments in real estate funds or programs involve additional special risks, such as credit risk, interest rate fluctuations and the effect of varied economic conditions. Funds focusing on a single country, sector and/or smaller companies generally experience greater price volatility.

The Adviser can use any or all the aforementioned different but somewhat complementary methods for investment selections as agreed upon between the Adviser and the client. No single strategy can be relied upon to outperform the market. However, CND Financial's goal in its analysis is not to time the market. CND Financial seeks to utilize investment strategies that are designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

There are certain risks involved in investing in all types of bonds: Government, Municipal, and Corporate. The following is an overview of the types of risks that one should consider in terms of bond investments: Interest rate risk; reinvestment risk; inflation risk; market risk, selection risk, timing risk, and price risk. Additional risks for some government agency, corporate and municipal bonds may include: Legislative risk (a change in the tax code could affect the value of taxable or tax-exempt interest income); Call risk (some corporate, municipal and agency bonds have a "call provision" entitling their issuers to redeem them at a specified price on a date prior to maturity. Declining interest rates may accelerate the redemption of a callable bond, causing an investor's principal to be returned sooner than expected. In that scenario, investors have to reinvest the principal at the lower interest rates.

If the bond is called at or close to par value, as is usually the case, investors who paid a premium for their bond also risk a loss of principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to be called. Additionally, there may be a liquidity risk involved if investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded or bonds sold by an infrequent issuer. Bonds are generally the most liquid during the period right after issuance when the typical bond has the highest trading volume. Additional risks for corporate and municipal bonds may include: Credit risk; default risk; event risk and duration risk. Bank obligations including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are highly dependent upon short-term interest rates and may be adversely affected by downturns in the U.S. and foreign economies and/or changes in regulations.

Other Information

Clients may make additions to and withdrawals from the account at any time, subject to the Adviser's right to terminate an account. Clients may withdraw account assets on notice to the Adviser, subject to the usual and customary securities settlement procedures. CND Financial generally designs its client portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives.

Portfolio additions may be in cash, cash equivalents and securities. However, the Adviser reserves the right to liquidate any transferred securities or decline to accept securities into a client's account. The Adviser may consult with its clients about the options and ramifications of transferring securities when provided pre-notification of the client's intentions. Clients are hereby advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (*i.e.*, contingent deferred sales charge) and/or tax ramifications.

Clients may choose to make self-directed securities transactions, which are investments that are not reviewed and/or not recommended by the Adviser. In such cases, CND Financial has not passed on the suitability of said investments and while CND Financial may assist with client-directed implementation as a value-added service at the client's request, the Adviser will not manage these types of investments unless agreed in writing.

ITEM 9: DISCIPLINARY INFORMATION

CND Financial and its Officers have not been involved in any civil, criminal, arbitration, disciplinary or other regulatory events. There is no information in the Adviser's registration records that would impact a client's or prospective client's evaluation of CND Financial or the integrity of its management.

CND Financial, its Officers and its Adviser Representatives have not been involved in any proceedings before the SEC or any other federal, state or foreign regulatory authority. In addition, none of the aforementioned persons have been involved in any self-regulatory organization proceedings or investment-related civil litigation.

Information about CND Financial's Adviser Representatives is contained on ADV Part 2B Brochure Supplements.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

10.A Registration as A Broker/Dealer or Broker/Dealer Representative

Neither CND Financial nor its Adviser Representatives are registered as a broker/dealer or as Representatives of a broker/dealer (and no such registrations are pending).

10.B Registration as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Adviser

Neither CND Financial nor its Adviser Representatives are registered as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Adviser (and no such registrations are pending).

10.C Registration Relationships Material to This Advisory Business and Conflicts of Interest

CND Financial does not operate and does not have a material relationship with a hedge fund or other type of private pooled investment vehicle. In addition, CND Financial does not maintain material relationships with any of the following:

- broker-dealer, municipal securities dealer, or government securities dealer or broker
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- futures commission merchant, commodity pool operator, or commodity trading adviser
- banking or thrift institution
- insurance company or agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships

Arthur Cole, CPA/PFS, the President and Chief Compliance Officer of CND Financial owns 50% of CND Financial. The Adviser’s other officers, William Mack, CFP®, CFS® and Theodore Bugenski, CFP®, CFS® collectively own 50% of CND Financial and 100% of William Mack & Associates, Inc., (WMA) located at 1301 W. Long Lake Rd., Suite 115, Troy Michigan 48098. As a result of their ownership in CND Financial, Mr. Mack and Mr. Bugenski share in a portion of CND Financial earnings. WMA also provides back-office administrative services to CND Financial.

Mr. Cole does not hold an ownership position in WMA.

The services of CND Financial and WMA are separate and distinct. William Mack, CFP®, CFS®, Vice President of CND Financial and the President of WMA, is dually registered with both firms as an Adviser Representative. In this capacity, Mr. Mack provides services to CND Financial’s contracted clients. The time spent on this activity may vary throughout the year but may account for up to 25% of his time.

Theodore Bugenski, CFP®, CFS®, Secretary of CND Financial and the Vice President of WMA, is dually registered with both firms as an Adviser Representative. In this capacity, Mr. Bugenski provides services to CND Financial’s contracted clients. The time spent on this activity may vary throughout the year but may account for up to 5% of his time.

Arthur Cole, CPA/PFS, the President and Chief Compliance Officer of CND Financial is the Managing Partner of Cole, Newton & Duran, a Certified Public Accounting firm. While the time spent on this outside business activity may vary throughout the year, it may involve up to 45% of his time. The services of the CPA firm are separate and distinct business from the services provided by CND Financial. Adviser Representatives of CND Financial may recommend the services of the accounting firm and clients are welcome but never obligated to utilize the firm’s services.

Besides the accounting firm Mr. Cole is Chief Financial Officer and has a financial interest in CND Mortgage. The responsibilities of this position require approximately 5% of Mr. Cole’s time. The services of the mortgage company are separate and distinct business from the services provided by CND Financial. Adviser Representatives of CND Financial may recommend the services of CND Mortgage and clients are welcome but never obligated to utilize the firm’s services.

Mr. Cole is the Chief Financial Officer and has a financial interest in MI Pharm LLC a long-term care pharmacy. The responsibilities of this position require approximately 10% of Mr. Cole’s time.

Mr. Cole is also the President of Strategic Investment Services, Inc. a small holding company that does not provide any public services. Strategic Investment Services requires a minimal amount of time from Mr. Cole.

Mr. Cole is also Owner of CND Building LLC and Dades LLC (real estate interests). Mr. Cole is part-owner and has financial interest in AMAC Building LLC, AMAC Center LLC, AMAC Bar LLC, DTC Building LLC, and CAMA LLC (real estate interests). Mr. Cole is Owner of Green Truck LLC (liability protection). These are non-investment related companies and require a minimal amount of time.

CND Financial may occasionally make referrals to an unaffiliated attorney for estate planning, wills or other legal matters. Clients are welcome to but never obligated to utilize such services. These services are separate and distinct from CND Financial's services and are provided under a separate agreement. CND Financial receives no direct compensation for these referrals.

10.D Selection of Other Advisers or Managers

CND Financial does not utilize or recommend the services of unaffiliated investment managers. All assets are managed by CND Financial.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

11.A Code of Ethics

CND Financial takes the issue of regulatory compliance seriously and is committed to maintain compliance with state and applicable federal securities laws. Additionally, CND Financial has a position of public trust and it is our goal to maintain that trust; provide excellent service, good investment performance; and advice that is suitable.

CND Financial places great value on ethical conduct. Therefore, the ultimate goal of our internal policies is to challenge our staff to live up not only to the letter of the law, but also to the ideals set forth by the Adviser.

Clients may be familiar with the roles fiduciaries play in various legal situations and in certain industries. As a Registered Investment Adviser, CND Financial is a fiduciary to each and every client. As fiduciaries, Investment Advisers owe their clients several specific duties. According to the SEC, an Investment Adviser's fiduciary duties include:

- Providing advice that is suitable
- Providing full disclosure of material facts and potential conflicts of interest (such that the client has complete and honest disclosure in order to make an informed decision about services of the Adviser and about investment recommendations)
- The utmost and exclusive loyalty and good faith
- Best execution of transactions under the available circumstances
- The Adviser's reasonable care to avoid ever misleading clients
- Only acting in the best interests of clients.

It is CND Financial's policy to protect the interests of each of the Adviser's clients and to place the clients' interests first and foremost in each and every situation. CND Financial will abide by honest and ethical business practices to include, but is not limited to:

- The Adviser will not induce trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account.
- The Adviser will make investment decisions with reasonable grounds to believe that the decisions are suitable for the client on the basis of information furnished by the customer and we will document suitability.
- The Adviser and Adviser Representatives will not borrow money from clients.
- CND Financial will not recommend the purchase of a security without the reasonable belief that the security is registered, or the security or transaction is exempt from registration in states where we provide investment advice and based upon information the Adviser receives.
- The Adviser will not recommend that the client place an order to purchase or sell a security through a broker/dealer or agent or engage the services of a broker/dealer that is not licensed, based upon information available to the Adviser.
- The staff of the Adviser will report all required personal securities transactions to Arthur Cole, CPA/PFS, President and Chief Compliance Officer of CND Financial as required by the SEC. Reportable trades for this Adviser include all but the following exceptions:
 - Transactions effected pursuant to an automatic investment plan
 - Securities held in accounts over which the access person has no direct or indirect influence or control
 - Transactions and holdings in direct obligations of the U.S. Government
 - Money market instruments — bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high-quality short-term debt instruments
 - Shares of money market funds
 - Transactions and holdings in shares of mutual funds are not reportable, since the Adviser does not have a material relationship with an investment company which would otherwise require reporting
 - Transactions in units of a unit investment trust are not reportable if the unit investment trust is invested exclusively in unaffiliated mutual funds.

All applicable securities rules and regulations will be strictly enforced. CND Financial will not permit and has instituted controls against insider trading.

CND Financial does not engage in principal transactions or agency cross transactions for client accounts.

The Adviser emphasizes the unrestricted right of clients to decline to implement any advice rendered, in whole or part. Where CND Financial is granted discretionary authority of the client's accounts, clients are welcome to set investment parameters and/or limitations in writing and such direction is followed until such time the client's instructions are amended in writing.

The Officers, Adviser Representatives and administrative personnel of CND Financial who do not follow the Adviser's Code of Ethics or who in any way violate securities rules and regulations, or who fail to report known or suspected violations will be disciplined or terminated, depending upon severity. Such persons could also face action by the SEC and/or state securities regulators.

Clients are welcome to request a copy of the Adviser's Code of Ethics by contacting the Adviser's office.

11.B RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS

CND Financial does not recommend that clients buy or sell any security in which any of CND Financial's related persons have a material financial interest.

11.C INVESTING PERSONAL MONIES IN THE SAME SECURITIES AS CLIENTS

CND Financial and/or individuals associated with CND Financial may have similar investment goals and objectives and as a result may buy or sell securities for their personal accounts that may be identical to or different from those recommended to clients. Thus, at times the interests of the Adviser's or staff members' accounts may coincide with the interests of clients' accounts. However, at no time will the Adviser or any related person receive an added benefit or advantage over clients with respect to these transactions nor will the Adviser nor its associated persons will not place itself in a position to have added benefit as a result of advice given to clients.

11.D TRADING SECURITIES AT / AROUND THE SAME TIME AS CLIENTS

CND Financial and its Adviser Representatives acknowledge the Adviser's fiduciary responsibility to place the investment needs of clients ahead of the Adviser and its staff. The interests of clients are held in the highest regard. At no time will the Adviser or any related person receive an added benefit or advantage over clients with respect to these transactions. The Adviser and its associated persons will not place itself in a position to have added benefit as a result of advice given to clients.

The staff of CND Financial shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.

CND Financial has established trading policies for its access persons. Arthur Cole, the President and Chief Compliance Officer of CND Financial, or a designated compliance professional is reviews personal trading conducted by staff and officers.

ITEM 12: BROKERAGE PRACTICES

CND Financial is not affiliated with any broker/dealer firm and CND Financial's Adviser Representatives are not registered representatives of any broker/dealer.

Financial Planning/Consultation clients not utilizing CND Financial's Investment Management Services are welcome to implement recommendations, in whole or in part, through the financial services firms of their choice.

CND Financial recommends the services of Charles Schwab & Co, Inc. ("*Schwab*"), which provides custodial and account services to independent Registered Investment Advisers and their clients. CND Financial participates in Schwab Adviser Services program for independent Registered Investment Advisers. CND Financial may recommend that clients establish brokerage accounts with the Schwab Institutional division of Schwab, which is a registered broker-dealer, Member SIPC/FINRA, to maintain custody of clients' assets and to effect trades for their accounts.

Schwab Institutional provides CND Financial with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. Schwab Institutional's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. These services generally are available to independent Investment Advisers at no charge to them so long as a total

of at least \$10 million of the Adviser's clients' account assets are maintained at Schwab Institutional. Thus, the recommendation of Schwab presents a conflict of interest between the Adviser and its clients. However, CND Financial seeks best execution in connection with its brokerage recommendations.

CND Financial believes Schwab offers excellent customer service to clients and independent Investment Advisers as well as competitive trading costs. Schwab is a large and sophisticated brokerage firm and features broad lines of products and services that may be suitable for many types of investors with varying investable assets.

As a fiduciary, CND Financial acknowledges its duty to obtain best price and execution for its clients' transactions under the available circumstances. Best execution is not determined solely by the lowest possible commission. The decision to utilize Schwab is based upon a number of factors as listed below:

- Quality of overall execution services provided
- Reliability
- Execution and operation capabilities
- Promptness of execution
- Creditworthiness, financial condition, and business reputation
- Promptness and accuracy of reports on execution
- Ability and willingness to correct errors
- Promptness and accuracy of confirmation statements
- Research (if any) provided
- The broker-dealer's facilities and technology
- Ability to access various market centers
- The market where the security trades
- Any expertise in executing trades for the particular type of security
- Commission charged.

Schwab is a large service provider and provides support services to a large percentage of the independent investment adviser population. Schwab measures trade execution quality through a combination of factors, including but not limited to:

- Trade Execution Speed
- At-the-Quote or Better Percentage
- Price Improvement Percentage

Schwab consolidates its "best execution" responsibilities within a specialized monitoring group to provide a regular and rigorous review of the execution quality received from the venues where the firm routes equity and option orders. Additionally, for consumers seeking specific details about the service providers' execution services, the firms offer additional information about trade quality and execution via their corporation website.

Schwab indicates in their best execution policies that it continually monitors alternative venues to identify opportunities for improving execution quality. Schwab considers a number of factors in evaluation of execution among markets and firms, including: Execution price and opportunities for price improvement, market depth and order size, the trading characteristics of the security, speed and accuracy of executions, the availability of efficient and reliable order handling systems, liquidity and automatic execution guarantees, and service levels and the cost of executing orders at a market or firm. Price improvement occurs when an order is executed at a price more favorable than the displayed national best bid or offer.

Schwab also indicates it regularly monitors the execution quality provided through various markets and servicing firms to help ensure orders are routed to market venues that have provided high-quality executions over time. Generally, the larger service providers (like Schwab) compare the reported executions and unexecuted orders to the National Best Bids and Offers (NBBO's) at the time of order entry and identify a subset of items that require review. Market volatility, volume and system availability may delay account access and trade executions. Price can change quickly in fast market conditions, resulting in an execution price different from the quote displayed at order entry. Execution price, speed and liquidity and account access are affected by many factors, including market volatility, size and type of order and available market centers.

The SEC requires brokerage firms to make their order routing practices publicly available. These reports provide information on routing non-directed orders (any order that the customer or Adviser has not specifically instructed to be routed to a particular venue for execution). For non-directed orders, Schwab will select the venue. Note: Brokerage firms are required to disclose any material arrangements with the venues utilized, including but not limited to any compensation or payments for order flow arrangements. Interested clients can view Schwab's order routing data at:
www.schwab.com/public/schwab/nn/legal_compliance/important_notices/order_routing.html

While it is possible that clients may pay higher commissions or transaction fees through preferred service providers, CND Financial has determined the firm currently offers the best overall value to the Adviser and its clients for the brokerage, service, and technology provided. Clients are also welcome to and encouraged to evaluate service providers before opening an account since they are welcome to select their preferred firm.

CND Financial monitors Schwab's best execution documentation. At least annually, the CCO will review and evaluate Schwab's performance by reviewing commission summaries, transaction reports, and failed trades. The data will be compared to other service providers offering comparable services within the Adviser market. From time-to-time, quantitative performance data about the broker-dealer may be acquired from the broker dealers or third-party evaluation services to assist the review process. The CCO will maintain records pertaining to the Adviser's best execution review.

12.A(1) SOFT DOLLAR BENEFITS

As previously noted in this section, CND Financial participates in the Charles Schwab & Co. institutional service program for independent Registered Investment Advisers. While there is no direct linkage between the investment advice given and the participation in a custodial firm's institutional program, economic benefits are received by the Adviser which would not be otherwise, if the Adviser did not give advice to clients.

Generally speaking, "soft dollars" are benefits (primarily investment research and brokerage services) that investment advisers receive in exchange for directing trade activity to a particular brokerage- custodial firm. Section 28(e) of the Securities Exchange Act of 1934, as amended (15 U.S.C. § 78bb (e)), establishes a safe harbor for money managers who use client funds to purchase brokerage and research services for their managed accounts. Under Section 28(e), a money manager is protected from liability for a breach of fiduciary duty solely on the basis of having paid more than the lowest commission rate for "brokerage and research services provided by a broker-dealer," the manager determines in good faith that the amount of the commission is reasonable in relation to the value of such services.

CND Financial may receive certain added benefits for utilizing Schwab, such as general research, the ability to deduct advisory fees from clients' custodial accounts, discounts on periodicals or materials, complimentary business and compliance newsletters, and various other non-cash services. Any general

research the CND Financial may receive is used for the benefit of all clients.

In fulfilling its duties to its clients, CND Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the Adviser's receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Adviser's choice of one firm over another (when the other firm does not furnish similar fee benefits, software access/discounts, systems support, back office administrative support or other services). However, the value of products, research and services given, is nothing extraordinary from what may be available via other custodial relationships. Therefore, the Adviser takes the position that the benefits received are negligible and customary within the advisory business and do not impair its independence in terms of service provider selection. However, the receipt of benefits does create a conflict of interest in conjunction with custodial recommendations. The following disclosure provides additional information relating to services received and who benefits (Adviser, clients or both):

Services received that benefit clients include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Schwab include some which CND Financial might not otherwise have access to or would require a significantly higher minimum investment by our clients. CND Financial, by maintaining greater than \$5 million under management with certain custodians, may receive a waiver of fees (i.e. file download, on-line services, real time quotes, etc.) and, if applicable, discounted rates on transaction fees. While this last item benefits the Adviser, the clients also receive benefit via discounted transaction rates.

The following benefits present a conflict of interest between CND Financial and its clients:

Services that may not directly benefit clients are those products and services that Schwab makes available to CND Financial but may not directly benefit our clients or their accounts. These products and services assist the Adviser in managing and administering its clients' accounts and include investment research (both the broker/dealers' and that of third parties). CND Financial may use this research to service all or some substantial number of our clients' accounts, including those maintained away from Schwab. In addition, Schwab makes available software and other technology that provides access to client account data (such as duplicate trade confirmations and account statements); facilitates trade execution and allocation of orders for multiple accounts; provides pricing and other market data, facilitates payment of advisory fees from client accounts and assists with back-office functions, recordkeeping and client reporting.

Services that generally benefit only the Adviser are those other benefits intended to help the Adviser manage and further develop its business enterprise. These services may include but are not limited to educational conferences and events as well as technology. Services also may include general compliance news, general legal and business consulting as well as publications and conferences on practice management and business succession. The service providers may also offer access to employee benefits providers and human capital consultants. The firms may also provide these services themselves and in other cases, they will arrange for third-party vendors to provide services to the Adviser. Schwab Institutional 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 the Adviser. Schwab and other service providers may provide benefits such as occasional business entertainment of our personnel and rarely, gifts of a very nominal value. The Chief Compliance Officer monitors all gifts and other considerations given and received.

As previously noted, Schwab does not charge their Advisers clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Receipt of these service benefits presents a conflict of interest between CND

Financial and its clients. As a fiduciary, CND Financial acknowledges that it must place the best interest of their clients first.

12.A(2) BROKERAGE FOR CLIENT REFERRALS

CND Financial receives no referrals from a broker/dealer or third party in exchange for recommending or using a broker/dealer or third party.

12.A(3) CLIENTS DIRECTING BROKER / DEALER / CUSTODIAN

Hourly Financial Planning and Consultation Service clients are welcome to utilize any service provider they may choose and are welcome to implement any advice or recommendations in whole or in part.

Clients are welcome to utilize the service provider of their choice, and in such cases, will direct CND Financial to use their firm of choice (via written direction). If the client requests the Adviser to arrange for the execution of securities brokerage transactions for the client's account, the Adviser shall direct such transactions through their selected broker-dealer until alternative directions are provided in writing. CND Financial cannot guarantee best execution of transactions due to limitations imposed by the client's service provider either on the Adviser or in connection with transactions. In such cases, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Adviser 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 the Adviser (as described below). As a result, 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. Clients will also need to ensure CND Financial receives copies of custodial statements.

Subject to its duty of best execution, the Adviser may decline a client's request to direct brokerage if, in the Adviser's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Trade Error Policy

CND Financial requires its personnel to carefully implement investment decisions. Nevertheless, if a trade error occurs, it is CND Financial's policy to correct the error as soon as possible and in such a manner that the affected client is not disadvantaged and bears no loss. The goal of error correction is to make the client "whole," regardless of the cost to the Adviser.

If the trade error is the result of CND Financial's error, the client's transaction will be corrected and CND Financial will reimburse the client for any loss resulting from an inaccurate or erroneous order. If the client's account is custodied at Schwab, Schwab will reimburse the client for any loss less than \$100. If a trade error occurs and it results in a gain, the gain will remain in the client's account unless the same error involved other client account(s) that should have received the gain, or it is not permissible for the client to retain the gain. If the gain does not remain in the client's account and Schwab is the custodian, Schwab will donate the amount of any gain of \$100 or over to charity. Schwab will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in the client's account, they may be netted.

12.B ALLOCATION POLICIES

CND Financial will generally only assist with transactions in mutual and exchange traded funds. CND Financial does not engage in block trading of securities.

ITEM 13: REVIEW OF ACCOUNTS

13.A Reviews

Investment Management Services involve continuous and ongoing services to include monitoring and internal review of portfolio assets. Internal reviews occur no less than quarterly, however, these reviews may occur more frequently, depending upon the nature and complexity of the portfolio. Internal reviews may also occur at the time of significant deposits or withdrawals or may be triggered by market conditions, at the request of the client or other factors.

Reviews generally entail analyzing securities, various markets, investment results, and other factors. For Investment Management clients who have received financial planning services, the Adviser also offers a review of the plan or strategy, *at the request of the client*. CND Financial may also review a portfolio if the client's asset allocation deviates from the targeted acceptable limits, at which time rebalancing is considered.

Individual reviews (with clients) are conducted as requested by the client. CND Financial prefers clients initiate meetings (in person, via phone or other direct communication) no less than annually. However, clients are obligated to *promptly* contact CND Financial when there exists a real or potential change in the clients' financial condition. *This prompt notification gives CND Financial and the client the opportunity to review the new data to help ensure the designed investment strategies continue to be appropriate based on client's input and stated objectives.*

The Adviser's hourly Financial Planning and Consultation Services do not include reviews since services terminate upon delivery. While the advice provided may include a recommendation for a future review or meeting, clients are welcome but never obligated to engage the Adviser for additional and/or future services. New or follow-up services will be available under a new or amended agreement.

13.B Reviewers

Reviews are conducted by Adviser Representatives under the Direction of Arthur Cole, CPA/PFS, President and Chief Compliance Officer.

13.C Factors that may Trigger Non-Periodic Reviews of Accounts

The timing of Internal portfolio reviews may also be guided by the underlying assets of the portfolio, individual circumstances as reasonably known by the Adviser, market conditions and the request of the client. Reviews may also be triggered by material market, economic or political events. As noted in Item B above, reviews may also be triggered by reported changes in the client's financial situation (which may include but are not limited to: Termination of employment, physical relocation, inheritance or retirement).

13.D Content and Frequency of Regular Reports to Clients

Clients can expect to receive confirmation statements from all transactions and a monthly/quarterly statement, directly from their custodial firm. The custodian's quarterly reports detail account value, net change, portfolio holdings, and all account activity. The Adviser may prepare additional portfolio data or post meeting communications at the Adviser's discretion. A report will be provided, via postal mail to each client regarding his or her advisory account at least annually and more frequently if requested by the client. The report includes the current market value, rate-of-return, and the investment allocation of the account. Additionally, clients can expect to receive the customary reports from the investment company or account custodian, at least quarterly, showing the holdings in the account and any activity, as well as reports from any mutual funds in which the client may be invested. This information may be sent via postal mail or e-mail, as determined by the client's directives.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

14.A Economic Benefits Provided by Third Parties for Advice Rendered to Clients

CND Financial does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CND Financial clients.

14.B Compensation to Non-Advisory Personnel for Client Referrals

CND Financial does not compensate any other person or firm in exchange for client referrals.

ITEM: 15: CUSTODY

CND Financial may have constructive custody of our clients' funds or securities as described below.

The Securities and Exchange Commission has set forth a set of standards intended to protect client assets in such situations. CND Financial adheres to these standards as discussed in Item 5.B(1) of this Brochure.

Clients authorize CND Financial in writing via the Investment Management Agreement to deduct our contractually agreed upon management fees directly from the client's account (via a qualified custodian). Custody services are provided by Charles Schwab & Co. or the client's selected custodial firm.

CND Financial is also deemed to have custody of clients' funds or securities when clients have written standing letters authorization ("SLOA") with their custodian to move money from a client's account to a third-party and under that SLOA authorizes CND Financial to designate the amount or timing of the transfers with the custodian. The client can directly terminate these instructions with the custodian. Only the client has the ability to change the third-party designations. The adviser will maintain records of any third-party relationship. The client receives notification from the custodian on SLOA instructions.

Clients will receive regular account statements directly from the custodian and should carefully review those statements. It is important that clients receive their statements directly from the custodian. If clients find that custodial account statements are not being received directly, they must promptly contact CND Financial and their custodial firm.

CND Financial will otherwise only have access to custodial accounts in order to implement trades via limited client authorized discretionary authority.

In all cases, clients have a direct and beneficial interest in their securities (individual ownership), rather than an undivided interest in a pool of securities. Execution of transactions and custody of client funds and securities are services provided by the client's selected brokerage/custodial services provider(s).

ITEM 16: INVESTMENT DISCRETION

CND Financial will maintain limited discretionary authority by virtue of the executed CND Financial client Investment Management Agreement. In addition, clients will also grant the Adviser limited discretion via their custodial account agreement. CND Financial will not have authority to direct assets outside of your account.

With the aforementioned authorization, CND Financial will maintain limited discretionary trading authority to execute securities transactions in the investor's portfolio within investor's designated investment objectives, to include the securities to be bought and sold, and the amount of securities to be bought and sold. CND Financial will never have full power of attorney and will not have the authority to take custody of investor funds or securities other than as discussed in Section 15 of this document.

More significant changes, such as switching to a different strategy, would be discussed and agreed upon with the client before implementing such a change.

ITEM 17: VOTING CLIENT SECURITIES

CND Financial does not vote proxy statements on behalf of clients. Your custodian will forward the proxy solicitation materials directly to you.

In the event the Adviser's proxy advice is requested, CND Financial shall only furnish consultations to existing clients. CND Financial will not solicit proxies from non-clients. When providing advice to clients, CND Financial will disclose any significant relationship with the issuer, its affiliates or a security holder proponent of the matter on which proxy voting advice is given, as well as any material interest of the Adviser in the matter. CND Financial will not accept any special fee or remuneration for furnishing the voting advice from any person other than the security holder recipient thereof. CND Financial's voting advice will not be provided on behalf of any person soliciting proxies, or on behalf of a participant in an election contest subject to SEC Rule 14a-11. CND Financial will never communicate with the press concerning a particular proxy. CND Financial recognizes that any deviations from these stated policies may require CND Financial to comply with the SEC's Proxy Registration Rules. CND Financial will not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

ITEM 18: FINANCIAL INFORMATION

18.A BALANCE SHEET

CND Financial does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance of services and therefore is not required to include a balance sheet with this brochure.

18. B FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR THE ADVISER'S ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS

Neither CND Financial nor its management have any financial conditions that are likely to reasonably impair the Adviser's ability to meet contractual commitments to clients.

18. C BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS

CND Financial has not been the subject of a bankruptcy petition in the last ten years.

ADDITIONAL INFORMATION: PRIVACY POLICY

As an SEC regulated Registered Investment Adviser, CND Financial meets the definition of a “financial institution” in the Federal Gramm-Leach-Bliley Act (the “Act”). The Adviser is, therefore, subject to the Act as well as to the rules of privacy imposed on investment advisers and other financial services firms as established in SEC Regulation S-P (“Privacy Rule”).

Privacy of nonpublic personal information is a matter the staff of CND Financial takes seriously. To maintain compliance with privacy rules, every broker dealer, investment company and investment adviser must adopt policies and procedures designed to safeguard customer and consumer records and information. CND Financial has adopted a privacy policy to protect clients and prospective clients.

In its role as Investment Adviser, CND Financial routinely collects nonpublic personal information from clients and prospective clients. This information may include the following:

- information provided on applications or forms and other information provided to us either verbally or in writing, such as your name, address, phone number, account information, social security number, assets, employment, income, and debt.
- Information about your transactions, accounts, trading activity and parties to transactions; health and beneficiary information (such as may pertain to planning issues).
- Information from other outside sources.
- Any other data deemed to be nonpublic personal information as defined by the Act and state privacy rules.

CND Financial values our clients’ trust and confidence. We will never sell the nonpublic personal information we obtain from clients or prospective clients.

All information provided by clients or prospective clients to CND Financial, (including to our advisory personnel), and information and advice furnished by us to our clients, shall be treated as confidential and shall not be disclosed to unaffiliated third parties, except: as directed by clients with written authorization, by application to facilitate the investment advisory services offered by CND Financial via an affiliated or unaffiliated financial services provider (such as the client’s custodial firm or broker/dealer), or as required by any rule, regulation or law to which CND Financial or its staff may be subject.

CND Financial shares client data with William Mack & Associates, Inc., (“WMA”) as required for WMA to provide back-office administrative services to CND Financial on behalf of CND Financial clients.

If clients engage Cole, Newton & Duran, CPAs or CND Mortgage for services, CND Financial will assist the client and those entities by providing necessary information the entity needs to provide the requested services. In addition, Cole, Newton & Duran, CPAs or CND Mortgage may provide client data to assist CND Financial in performing its services for our shared client.

CND Financial maintains client records in a controlled environment and records (electronic and otherwise) are only available to authorized persons who have a need to access the information to deliver advisory services, provide administrative support, or to respond to client requests. CND Financial has made reasonable efforts to safeguard client information and conducts periodic testing to ensure our electronic network is protected.

CND Financial protects non-public personal information beyond the life of the CND Financial client agreement. CND Financial retains client information in a protected manner for the period required by regulators (the fifth-year end from the date of last use). We then safely destroy the information via in-house shredding, e-file destruction or via a contracted secure shredding service.

Prospective clients who do not become clients also receive privacy protection. If a prospective client does not retain our services, we promptly return any information we may have obtained. Alternatively, if nonpublic personal information is in copies of documents, notes, or other media, we will securely store the information for a period of up to one year (depending upon likelihood of engagement) before being shredded in-house or via a contracted secure shredding service.

Clients may direct questions about our privacy policy to Arthur Cole, CPA/PFS, President and Chief Compliance Officer.