

Disclosure Brochure

Form ADV Part 2A

March 25, 2024



**BlackDiamond
Financial**

Disclosure Brochure

Form ADV Part 2A

Prepared in Compliance with the Investment Advisors Act of 1940 Rule 204-3(A)

March 25, 2024

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This brochure provides information about the qualifications and business practices of Black Diamond Financial, LLC. Registration of an Investment Advisor does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 443-841-7772. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Black Diamond Financial (CRD #145108) is available on the SEC's website at <https://adviserinfo.sec.gov/>.

Item 2: Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

This brochure has updated the assets under management since the last update in October 2023.

Item 3: Table of Contents

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Item 4: Advisory Business

Firm Description

Black Diamond Financial, LLC ("BDF" or "Advisor") has been in business since August 9, 2007, and the principal owners are Matthew P. Goette and Lindsay D. Dryden, IV through his control of the Dryden Capital Management Trust.

Black Diamond Financial, LLC is a fee-only registered investment adviser with a unique and holistic focus on preserving and enhancing wealth. Our mission is to help you achieve your financial goals through the use of low cost, tax-efficient investment strategies. We create individualized investment portfolios for each client that are risk-appropriate, return optimized, and tax-efficient. Where appropriate, we incorporate institutional quality private investments to capture illiquidity premiums or yield opportunities. Furthermore, we believe cost is a critical factor in any successful investment strategy and therefore offer fully transparent pricing that is below industry standard. As an employee-owned firm focused on our fiduciary duty, we make our clients' interests our highest priority.

Types of Advisory Services

ASSET MANAGEMENT

Black Diamond Financial's principal offering is providing investment advisory services based on each Client's specific investment objectives, goals, and financial situation. Black Diamond Financial creates customized portfolios, on a discretionary and non-discretionary basis, according to each Client's objectives. Black Diamond Financial will consider mutual funds, exchange traded funds, stocks, foreign issuers, options, municipal, government and corporate debt securities, real estate, CDs, and other investments when tailoring a Client's Investment Policy Statement ("IPS").

FINANCIAL PLANNING AND CONSULTING

If extensive financial planning services are applicable, the Client will compensate Black Diamond Financial on an hourly fee or negotiable fixed fee basis described in detail under the "Fees and Compensation" section of this brochure. The advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overweighting of the position(s) in the portfolio, change in risk tolerance of the Client or any risk deemed unacceptable for the Client's risk tolerance.

Representatives of Black Diamond Financial may also provide general non-securities advice on topics including estate planning, retirement planning, social security, taxes, insurance, and mortgage consulting.

PRIVATE POOLED INVESTMENT VEHICLES

We provide specialized advisory services to private pooled investment vehicles herein referred to as "the Funds" (or if individually, "the Fund"). The Funds are unregistered investment companies organized as limited partnerships. Investments in the Funds are not registered under the Securities Act of 1933, as amended, and are only offered after

delivery of a private placement memorandum and execution of the subscription agreement and other offering documents. Investments in the Funds are offered only to accredited investors within the meaning of SEC Rule 501 of Regulation D of the Securities Act of 1933. Some Funds are offered only to qualified clients as defined within the meaning of Rule 205-3 under the Advisers Act. Investments in the Funds are offered by private offering memorandum which provides investors with full disclosure regarding the objectives of the Funds, the risks involved with the offering and the minimum initial capital contribution or commitment required.

Different strategies may be carried out for each Fund and therefore, there should be no expectation that the performance of any individual Fund would or should be similar to that of any other Fund. You should refer to the subscription agreement and other offering documents for a complete description of the fees, investment objectives, risks, and other relevant information associated with investing in the Funds. The Funds undergo an independent audit annually by a Public Company Accounting Oversight Board ("PCAOB") registered firm.

BDF does not use its discretionary trading authority to authorize purchases of the Funds. Instead, clients must complete and sign the required paperwork before the purchase is processed. BDF charges advisory fees each quarter for the sale of the Funds.

ERISA PLAN SERVICES

Black Diamond Financial offers service to qualified and non-qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit-sharing plans, cash balance plans, and deferred compensation plans. Black Diamond Financial may act as a 3(38) advisor:

3(38) Investment Manager. Black Diamond Financial can also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan's assets. Black Diamond Financial would then become solely responsible and liable for the selection, monitoring and replacement of the plan's investment options.

1. Fiduciary Services include:

- Advisor has discretionary authority and will make the final decision regarding the initial selection, retention, removal and addition of investment options in accordance with the Plan's investment policies and objectives.
- Assist the Plan Sponsor with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- Assist the Plan Sponsor in the development of an investment policy statement. The IPS establishes the investment policies and objectives for the Plan.
- Provide discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants

who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Plan Sponsor retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5).

- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with Plan Sponsor on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services include:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. The Advisor's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, the Advisor is not providing fiduciary advice as defined by ERISA to the Plan participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

Black Diamond Financial may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Advisor and Plan Sponsor.

3. Black Diamond Financial has no responsibility to provide services related to the following types of assets ("Excluded Assets"):
- a. Employer securities;
 - b. Real estate (except for real estate funds or publicly traded REITs);
 - c. Stock brokerage accounts or mutual fund windows;
 - d. Participant loans;
 - e. Non-publicly traded partnership interests;
 - f. Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
 - g. Other hard-to-value or illiquid securities or property.

Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities. However, if the

restrictions prevent Black Diamond Financial from properly servicing the Client's account, or if the restrictions would require Black Diamond Financial to deviate from its standard suite of services, Black Diamond Financial reserves the right to end the relationship. Agreements may not be assigned without written Client consent.

IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries 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.

The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. 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 yours 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 your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

Wrap Fee Programs

Black Diamond Financial does not participate in any wrap fee programs.

Client Assets under Management

As of December 31, 2023, Black Diamond Financial had the following regulatory assets under management:

| Type of Account | Regulatory Assets Under Management |
|-------------------|------------------------------------|
| Discretionary | \$623,843,614 |
| Non-Discretionary | \$77,583,597 |
| Total: | \$701,427,211 |

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

ASSET MANAGEMENT

Black Diamond Financial offers discretionary and non-discretionary asset management services to advisory Clients. The specific way our fees for Investment Advisory are charged is established in each client agreement with Black Diamond Financial. The structure and level of our fees vary by client based upon the services provided and other relevant considerations. Customarily, fees are calculated as a percentage of billable assets. When our investment advisory fees are calculated as a percentage of billable assets, we generally apply a tiered schedule where fee rates decrease as billable assets increase. The fee decrease applies to the portion of the billable assets in each applicable tier. The annual rate does not exceed 0.85% per annum.

There will be a minimum annual fee of \$3,000 or 3%, whichever is less. The annual fee may be negotiable. Accounts within the same household may be combined for a reduced fee. Fees are billed quarterly in advance based on the amount of assets managed as of the last business day of the previous quarter. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. Black Diamond Financial will be entitled to a pro rata fee for the days service was provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees, and Client will acknowledge, in writing, any agreement of increase in said fees.

PRIVATE POOLED INVESTMENT VEHICLES

Black Diamond Financial, LLC serves as the Investment Manager and Adviser to the Fund. Typically, the Investment Manager or Investment Adviser is responsible for management, operation, and control of the investment activities of the Fund, to the extent provided in the Partnership Agreement and Management Agreement. The investment manager's primary function will be to identify, analyze and select potential Portfolio investments.

Black Diamond Financial charges a management fee or administration fee in accordance with the terms of each fund. You should refer to the offering documents for a complete description of the fees and other relevant information associated with investing in the Fund. Generally, the management fee and administration fee is .50% of the investors' committed capital each year. We plan to deduct fees when capital is called which could result in fees being deducted less frequently than every quarter or more than one quarter in advance. Fees will not be deducted more than six months in advance.

FINANCIAL PLANNING FEES

Black Diamond Financial intends to be compensated for its extensive financial planning services by charging fees on either an hourly or fixed fee basis. Black Diamond Financial's fee will be negotiated in advance and will be outlined in each Client's advisory agreement. Payment will be due 50% upon signing of the advisory agreement and the remaining amount due upon delivery of the plan. All plans will be delivered to the Client within sixty (60) days of initial engagement contingent upon all applicable documentation being provided to Advisor. Clients may request to terminate their planning agreement with Black Diamond Financial, in whole or in part, by giving written notice. Upon termination, any fees paid in advance will be forfeited except if the Client terminates within five (5) days of initial engagement, then a full refund without penalty will be granted to Client.

Black Diamond Financial also reserves the right to waive the financial planning fee if the Client implements the plan through Black Diamond Financial.

HOURLY FEES

Hourly fees will be assessed at a rate of \$300 per hour, this fee will typically be charged for those Clients requiring assistance with their financial planning needs.

FIXED FEES

For Clients requiring a comprehensive financial plan, a flat fee based on the complexity of the plan, and negotiated in advance of engaging the firm, will be charged.

ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and shall not exceed 1%. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) on the last business day of the previous quarter. If the services to be provided start any time other than the first day of a quarter, the fee will be prorated based on the number of days remaining in the quarter. If the agreement is terminated prior to the end of the fee period, Black Diamond Financial shall be entitled to a prorated fee based on the number of days during the fee period services were provided.

The fee schedule, which includes compensation of Black Diamond Financial for the services is described in detail in the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Each Client may elect to be billed directly or have fees deducted from Plan Assets. Black Diamond Financial does not reasonably expect to receive any additional compensation, directly or indirectly, for its services. If additional compensation is received, Black Diamond Financial will disclose this compensation, the services rendered, and the payer of compensation.

Client Payment of Fees

Investment management fees are billed quarterly in advance based on the amount of assets managed as of the last business day of the previous quarter. Quarterly advisory fees deducted from the Clients' accounts by the custodian may be reflected in a provided

fee invoice as fees are withdrawn. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. After five (5) business days of signing the Investment Advisory Agreement, Clients may terminate advisory services with thirty (30) days written notice. Black Diamond Financial will be entitled to a pro rata fee for the days service was provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees, and Client will acknowledge, in writing, any agreement of increase in said fees.

Black Diamond Financial's financial planning fee will be negotiated in advance and will be dictated in each Client's advisory agreement. Final payment will be due 50% upon signing of the advisory agreement and 50% upon delivery of the plan. All plans will be delivered to the Client within sixty (60) days of initial engagement contingent upon all applicable documentation being provided to Advisor. Clients may request to terminate their advisory agreement with Black Diamond Financial, in whole or in part, by giving written notice. Upon termination, any fees paid in advance will be forfeited unless the Client terminates within five (5) days of initial engagement then a full refund will be granted to Client.

Additional Client Fees Charged

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Black Diamond Financial.

Black Diamond Financial, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.). For more details on the brokerage practices, see Item 12 of this brochure.

Prepayment of Client Fees

Investment management fees are billed quarterly in advance based on the amount of assets managed as of the last business day of the previous quarter. Quarterly advisory fees deducted from the Client accounts by the custodian may be reflected in a provided fee invoice as fees are withdrawn.

Black Diamond Financial's financial planning fee will be negotiated in advance and will be outlined in each Client's advisory agreement. A payment of 50% will be due upon signing of the advisory agreement and the remaining amount due upon delivery of the plan.

External Compensation for the Sale of Securities to Clients

Black Diamond Financial does not receive any external compensation for the sale of securities to Clients, nor do any of the investment advisor representatives of Black Diamond Financial.

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

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities. Black Diamond Financial does not use a performance-based fee structure because of the conflict of interest. Performance-based compensation may create an incentive for the Advisor to recommend an investment that may carry a higher degree of risk to the Client.

Item 7: Types of Clients

Description

Black Diamond Financial generally provides investment advice to individuals, high-net-worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations or business entities. Client relationships vary in scope and length of service.

Account Minimums

Black Diamond Financial requires a \$1,000,000 account minimum. However, we retain the right to waive that minimum based on various factors like length of Client relationship.

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

Methods of Analysis

Black Diamond Financial begins each Client relationship by developing an understanding of each Client's time horizon, financial goals, tolerance for risk, and income needs. Based on this information, Black Diamond Financial formulates an investment plan, designed to deliver the highest likelihood of long-term success. A crucial feature of this plan is the asset allocation—the method in which assets will be assigned to different investments (stocks, bonds, real estate, cash). Academic studies suggest asset allocation is a vital determinant of investment return and risk (risk and return are highly related). Investing involves uncertainty and risk. Investing requires reduced control and subjects investors to sometimes substantial short-term drops in the price of their investments. However, with risk comes the potential for higher returns over time, which actually reduces other risks—the risk of failing to reach real-life, long-term goals and the risk of inflation eroding principal.

Black Diamond Financial formulates investment portfolios consisting of U.S. stocks, international stocks (developed and emerging markets), U.S. and international real estate, bonds, and cash or cash equivalents and other investments. The work of several Nobel Prize-winning economists suggests that combining various asset classes in a portfolio has historically resulted in higher returns with lower risk when compared to undiversified portfolios.

For exposure to various asset classes, Black Diamond Financial invests primarily in index investments. An index investment is a group of underlying securities, including most or all of the securities in a market or market sector. In the management of an index investment, no attempt is made to beat the market, pick winning securities or to time the market. Rather, by owning all the securities in the market sector an index investment mimics the market's performance. Index investments typically enjoy lower investment costs as compared to "actively managed" funds that attempt to beat the market. Therefore, index investments deliver better long-term performance compared to the majority of actively managed funds.

Black Diamond Financial's index-based investment strategy can be volatile and has risks including the following: (1) Stock market risk, which is the chance that stock prices overall will decline; (2) The risk that the sector a certain ETF follows may underperform broader markets; (3) Interest rate risk; (4) Credit risk of an ETF's underlying bond exposure. Black Diamond Financial generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Item 9: Disciplinary Information

Criminal or Civil Actions

Black Diamond and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

Black Diamond and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

Black Diamond and its management have not been involved in legal or disciplinary events related to past or present investment Clients.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

Neither Black Diamond Financial nor any of its employees are registered representatives of a broker-dealer.

Arrangement with Affiliated Entities

We are affiliated with Black Diamond Fund PE GP, LLC by virtue of common control and ownership. Black Diamond Fund PE GP, LLC serves as the General Partner to Black Diamond Fund-Access Holdings Fund II LP ("the Fund") where BDF is the Investment Adviser.

The Fund is offered to certain sophisticated investors, who meet certain requirements under applicable state and/or federal securities laws. Investors to whom the Fund is offered will receive a private placement memorandum and other offering documents. The fees charged by the Fund are separate and apart from our advisory fees. You should refer to the offering documents for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Fund. Persons affiliated with our firm may have made an investment in the Fund and may have an incentive to recommend the Fund over other investments.

We are also affiliated with Callan Accounting CPAs and Advisors, LLC through common control and ownership. Investment Advisor Representative of BDF are also owners of the accounting firm. In this role, they receive separate yet typical compensation for services. From time to time, they may offer Clients services from this activity.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

Private Pooled Investment Vehicles

The Funds' objective is to allow investors to participate in strategic investment opportunities in the private equity space. To the extent that BDF individual advisory clients qualify and determine that an investment is appropriate given their investment objective(s) and financial situation, they may participate as limited partners of the Funds. The terms and conditions for participation in the Funds, including management and/or incentive fees, conflicts of interest, risk factors, and liquidity constraints, are set forth in the Funds offering documents, which each prospective investor client shall receive and shall be required to complete. The client shall be required to submit the corresponding Subscription Agreement to the General Partner in order to demonstrate qualification for investment in the Fund.

Please Note: We may provide investment advice regarding private investment funds. Private investment funds generally involve risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Conflicts of Interest: Because Black Diamond Financial LLC, our affiliates and/or our members shall earn compensation from the *Private Fund* that may exceed the fee that

BDF would earn under its standard "assets under management" fee schedule, this presents a conflict of interest. No client is under any obligation to become a *Private Fund* investor.

Certain Associated Persons of our firm are also invested in the Fund. As an investor and your advisor, they have an incentive to devote more time to the Fund than to your portfolio. Furthermore, they may have an incentive to recommend the Fund rather than recommending other investments.

We address these conflicts by disclosing them in this brochure and in the offering documents of the Fund. While we believe these relationships are commonplace in the investment industry and bring added value to our clients, the Associated Persons serving in these separate capacities are fiduciaries and are required to act at all times in accordance with our Code of Ethics and to act only from principles of fair and equitable dealing and good faith with respect to all parties.

Futures or Commodity Registration

Neither Black Diamond Financial nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

Black Diamond Financial does not recommend or select other investment advisors.

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

Code of Ethics Description

The employees of Black Diamond Financial have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of Black Diamond Financial employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of Black Diamond Financial. The Code reflects Black Diamond Financial and its supervised persons' responsibility to act in the best interest of their Clients.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

Black Diamond Financial policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of Black Diamond Financial may recommend any transaction in a security or its derivative to advisory Clients or engage in personal

securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Black Diamond Financial's Code is based on the guiding principle that the interests of the Client are our top priority. Black Diamond Financial officers, directors, advisors, and other employees have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either employees or the company.

The Code applies to "Access" persons. "Access" persons are employees who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public. The firm will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

Black Diamond Financial and its employees do not recommend to Clients securities in which we have a material financial interest.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

From time to time, representatives of Black Diamond Financial may buy or sell securities for themselves at or around the same time as Clients. This may provide an opportunity for representatives of Black Diamond Financial to buy or sell securities before or after recommending securities to Clients resulting in representatives profiting off the recommendations they provide to Clients. Such transactions may create a conflict of interest; however, Black Diamond Financial will trade Client's non-mutual fund and non-ETF securities before they trade their own. Black Diamond Financial will always act in the best interest of the Client.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

Black Diamond Financial and its employees may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest employees are required to disclose all reportable securities transactions. The personal trading review and subsequent follow-up regarding any inappropriate trades helps assure that the personal trading of employees does not affect the markets.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

Black Diamond Financial may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the Client's choosing. Black Diamond Financial will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. Black Diamond Financial relies on its broker to provide its execution services at the best prices offered. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Black Diamond Financial.

- *Directed Brokerage*

Black Diamond Financial does not generally accept directed brokerage arrangements (when a Client requires that account transactions be effected through a specific broker-dealer). In such Client directed situations, the Client must negotiate terms and arrangements for their account with that broker-dealer, and Black Diamond Financial will not seek better execution services or prices from other broker-dealers. As a result, a 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.

- *Best Execution*

Investment advisors who manage or supervise Client portfolios have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to affect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. Black Diamond Financial does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*

Black Diamond Financial receives no valuable research, product, or service other than execution from a broker-dealer or third-party in connection with Client securities transactions ("soft dollar benefits").

Aggregating Securities Transactions for Client Accounts

Black Diamond Financial maintains the ability to block trade purchases across accounts but will rarely do so. Block trading may benefit Clients by purchasing larger blocks which may result in a lower fee/commission for the transaction; however, Black Diamond Financial does not feel that Clients not engaging in block trading are at a disadvantage due to the best execution practices of our custodian.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Account reviews are performed quarterly by Investment Advisor Representatives of Black Diamond Financial. Account reviews are performed more frequently when market conditions dictate. Financial planning relationships with Clients are monitored on an ongoing basis to ensure the recommendations made are within the scope of the plan and remain suitable.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation.

Content of Client Provided Reports and Frequency

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by the Advisor's custodian. Clients receive confirmations of each transaction in their accounts from their custodian and an additional statement during any month in which a transaction occurs.

Item 14: Client Referrals and Other Compensation

Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

Black Diamond Financial does not receive any economic benefits from external sources.

Advisory Firm Payments for Client Referrals (Promoters)

Black Diamond Financial may enter into promoter arrangements to refer prospective clients to the firm. These arrangements may be with affiliated or unaffiliated individuals and organizations that refer Clients to BDF in exchange for compensation. All such arrangements will be in writing and comply with the requirements of Federal or State regulation. If a Client is introduced to Black Diamond Financial by a promoter, Black Diamond Financial may pay that promoter a fee. While the specific terms of each arrangement may differ, generally, the compensation will be based upon BDF's engagement of new Clients and is calculated using a varying percentage of the fees paid to BDF by such Clients. Any such fee shall be paid solely from Black Diamond Financial's investment management fee and shall not result in any additional charge to the Client.

The arrangement between BDF and a promoter requires that the promoter is appropriately registered under federal and state securities laws where applicable and not subject to statutory disqualification. Clients receive all related agreements and disclosures prior to or at the time of entering into an Investment Advisory Agreement with BDF.

Item 15: Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by Black Diamond Financial. Black Diamond Financial is deemed to have constructive custody solely because advisory fees are directly deducted from Client accounts by the custodian on behalf of Black Diamond Financial.

Private Funds

We serve as the investment adviser to Black Diamond Financial-Access Holdings Fund II LP, a private pooled investment vehicle in which our clients are solicited to invest. The Fund is offered to certain sophisticated investors, who meet certain requirements under applicable state and/or federal securities laws. Investors to whom the Fund is offered will receive a private placement memorandum and other offering documents. The fees charged by the Fund are separate and apart from our advisory fees. You should refer to the offering documents for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Fund. Persons affiliated with our firm may have made an investment in the Fund and may have an incentive to recommend the Fund over other investments.

In our capacity as investment manager or investment adviser to the Fund, we will have access to the Fund's funds and securities, and therefore have custody over such funds and securities. We provide each investor in the Fund with audited annual financial statements. If you are a Fund investor and have questions regarding the financial statements or if you did not receive a copy, contact us directly at the telephone number on the cover page of this brochure.

Item 16: Investment Discretion

Discretionary Authority for Trading

For those Client accounts where Black Diamond Financial provides ongoing supervision, Black Diamond Financial maintains limited power of authority over Client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to Clients in detail before an advisory relationship has commenced. Clients may place limitations on our discretionary authority by requesting that we have each transaction approved by the Client before the transaction occurs.

Item 17: Voting Client Securities

Proxy Votes

Black Diamond Financial does not vote proxies on securities. Clients are expected to vote their own proxies. The Client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, Black Diamond Financial may provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Item 18: Financial Information

Balance Sheet

A balance sheet is not required to be provided because Black Diamond Financial does not serve as a custodian for Client funds or securities and Black Diamond Financial does not require prepayment of fees of more than \$1200 per Client and six months or more in advance.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

Black Diamond Financial has no condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

Bankruptcy Petitions during the Past Ten Years

Neither Black Diamond Financial nor its management has had any bankruptcy petitions in the last ten years.