

**Item 1. Cover Page**

**CRITERION CAPITAL ADVISORS WRAP FEE PROGRAM**

Sponsored by

**CRITERION CAPITAL ADVISORS, LLC**

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March 6, 2024

This Wrap Fee Program Disclosure Brochure provides information about the qualifications and business practices of Criterion Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact the firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about Criterion Capital Advisors, LLC (CRD No. 295954) is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The firm is a registered investment advisor. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

This Item discusses only specific material changes that have been made since our last annual updating amendment filed on March 10, 2023. Since that date, we have made no material changes to this brochure.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent brochures within 120 days of the close of our fiscal year. A Summary of Material Changes is also included with our brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Criterion Capital Advisors, LLC is 295954. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting us at (615) 292-6889.

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## Item 4. Advisory Business

The Criterion Capital Advisors, LLC Wrap Fee Program (the “Program”) is an investment advisory program sponsored by CCA. In addition to the Program, the Firm offers a variety of advisory services, which include financial planning, consulting, and investment management services are offered under different arrangements than those described in this wrap brochure. Prior to CCA rendering any advisory services under the Program clients are required to enter into one or more written agreements with CCA setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

CCA became registered as an investment advisor with the SEC in April 2018 and is owned by Allan Horner, Mark Pierce, and Scott Freeman. As of February 2, 2024, we manage \$460,581,000 in client assets on a discretionary basis and \$0 on a non-discretionary basis.

While this brochure generally describes the business of CCA, certain sections also discuss the activities of its “Supervised Persons,” which refer to the firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or other persons who provide investment advice on CCA’s behalf and are subject to the firm’s supervision or control.

### Description of the Program

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The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisors) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Clients must engage the brokerage and clearing services of National Financial Services LLC and Fidelity Brokerage Services LLC (together with affiliates, “Fidelity”), or another broker-dealer that CCA approves under the Program (collectively “Financial Institutions”).

At the onset of the Program, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, CCA assists its clients in developing an appropriate strategy for managing their assets. Clients’ investment portfolios are generally managed on a discretionary basis by either CCA’s investment advisor representatives or an independent investment manager (collectively “Independent Managers”), as selected by CCA. CCA and/or the Independent Managers generally allocate clients’ assets among the various investment products available under the Program, as described further in Item 6 (below).

### *Financial Planning and Consulting Services*

CCA offers clients a broad range of financial planning and consulting services, which include some or all of the following financial topics:

- |                             |                         |
|-----------------------------|-------------------------|
| • Business Planning         | • Retirement Planning   |
| • Cash Flow Forecasting     | • Risk Management       |
| • Trust and Estate Planning | • Charitable Giving     |
| • Financial Reporting       | • Distribution Planning |
| • Investment Consulting     | • Tax Planning          |
| • Insurance Planning        | • Manager Due Diligence |

While each of these services is available on a stand-alone basis, certain financial planning and consulting services can also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement. We will consult with you to gain an understanding of your financial objectives and needs and provide you with our recommendations relative to the areas and topics of financial concern on which you desire to obtain our advice. Our advice may be presented in the form of a written financial plan, a shorter report or checklist, or through informal discussions with you (*e.g.*, either in-person, by telephone/televideo, or via e-mail), as agreed within an Advisory Agreement executed with the client.

In performing these services, CCA is not required to verify any information received from the client or from the client's other professionals (*e.g.*, attorneys, accountants, etc.) and is expressly authorized to rely on such information. We will not provide you with any legal or tax advice of any kind and advise you to seek the advice of your legal and tax advisors regarding these matters. Clients retain absolute discretion to accept or reject any of CCA's recommendations under this service, in whole or in part. Clients are under no obligation to act upon any of the recommendations made by CCA under a financial planning or consulting engagement. The client is responsible to promptly notify the firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising CCA's recommendations and/or services.

As part of these services, CCA may recommend that clients engage the firm, its Supervised Persons (in their individual capacities as insurance agents and/or registered representatives of a broker-dealer), and/or other professionals to implement its financial planning and consulting recommendations. Clients are advised that a conflict of interest exists for the firm to recommend that clients engage CCA or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients are never obligated to engage CCA, its Supervised Persons, or any other recommended service providers for any implementation services.

#### *Investment and Wealth Management Services*

Under the Program, CCA provides clients with wealth management services which include a broad range of financial planning and consulting services as well as discretionary and non-discretionary management of investment portfolios.

CCA primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, annuities, and Independent Managers in accordance with the client's stated investment objectives. On occasion and where appropriate, we may also recommend private placement securities to clients.

Where appropriate, the firm also provides advice about any type of legacy position or other investment held in client portfolios. Clients can engage CCA to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (*i.e.*, 529 plans). In these situations, CCA directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company, or the custodian designated by the product's provider.

CCA tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. CCA consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify CCA if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if CCA determines, in its sole discretion, the conditions would not

materially impact the performance of a management strategy or prove overly burdensome to the firm's management efforts.

#### *Use of Independent Managers*

As mentioned above, CCA may select certain Independent Managers to actively manage all or a portion of the client's assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

CCA evaluates a variety of information about Independent Managers, which includes the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves, and other third-party analyses it believes are reputable. To the extent possible, the firm seeks to assess the Independent Managers' investment strategies, past performance, and risk results in relation to its clients' individual portfolio allocations and risk exposure. CCA also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, and reporting capabilities, among other factors.

CCA continues to provide services relative to its discretionary selection of Independent Managers for the client. On an ongoing basis, we monitor the performance of those accounts being managed by Independent Managers to ensure the Independent Managers' strategies and target allocations remain aligned with the client's investment objectives and overall best interests. Where appropriate, we will terminate Independent Manager relationships and/or reallocate the client's assets between Independent Managers as we deem to be in the client's best interest.

#### **Fees for Participation in the Program**

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The Program is offered on a fee basis, which may include fixed fees, as well as fees calculated based upon a percentage of the client's assets under management (sometimes referred to as the "Program Fee"). Additionally, as described below in this Item 4, certain of our Supervised Persons, in their individual capacities, may offer securities brokerage services and/or insurance products under a separate commission-based arrangement.

#### *Financial Planning and Consulting Fees*

CCA charges a fixed fee for providing financial planning and consulting services under a stand-alone engagement, or, in some cases, these services may be combined with Program services provided by CCA. These fees are negotiable, but typically range from \$1,000 to \$10,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the firm for additional investment advisory services, CCA may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and CCA typically requires that one-half of the agreed upon fee (estimated hourly or fixed) be paid upon execution of the Advisory Agreement. The outstanding balance is due upon delivery of the financial plan or completion of the agreed upon services. We do not take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

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### *Investment Management Fees*

CCA offers the investment management portion of its services under the Program for an annual fee that is based upon the amount of assets placed under our management. This management fee varies in accordance with the following fee schedule:

<b><u>PORTFOLIO VALUE</u></b>	<b><u>BASE FEE</u></b>
Up to \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	0.90%
\$2,000,001 - \$3,000,000	0.85%
\$3,000,001 - \$5,000,000	0.75%
Above \$5,000,000	Negotiable

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by CCA on the last day of the previous billing period. If assets in excess of \$100,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the Advisory Agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

For asset management services the firm provides with respect to certain other client holdings (*e.g.*, held-away assets, accommodation accounts, alternative investments, etc.), CCA may negotiate a fee rate that differs from the range set forth above.

### **Fee Comparison; Conflicts of Interest Related to the Program**

As referenced above, a portion of the fees paid to CCA are used to cover certain securities brokerage commissions and transactional costs attributed to the management of the client's assets. Services provided through the Program may cost clients more or less than purchasing investment advice, custodial, and trade execution services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. Because CCA absorbs certain transaction costs when managing client accounts through the Program, we have an incentive not to place transactions less frequently and/or to select securities that are subject to waived or reduced transaction fees, since doing so increases the portion of the fees retained by CCA. We address this conflict by always managing your account in a manner which comports with our fiduciary duty to you. We only recommend investments that we believe to be in your best interests.

### **Fee Discretion**

CCA may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

### **Other Charges**

In addition to the advisory fees paid to CCA, clients may also incur certain charges imposed by third parties, such as broker-dealers, custodians, trust companies, banks and other Financial Institutions. These additional charges include fees for trades executed away from Fidelity, mark-ups and mark-downs on fixed income transactions, fees charged by the Independent Managers, fees attributable to alternative assets, reporting

charges, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (*e.g.*, fund management fees and other fund expenses), fees and commissions for assets not held with Fidelity (such as 401(k) or 529 plan assets), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees.

### **Direct Fee Debit**

Clients provide CCA and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly, detailing all account transactions, including any amounts paid to CCA.

### **Account Additions and Withdrawals**

Clients can make additions to and withdrawals from their Program account at any time, subject to CCA's right to terminate an account. Additions can be in cash or securities, provided that the firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients can withdraw account assets on notice to CCA, subject to the usual and customary securities settlement procedures. Clients are advised that we design portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client's investment objectives. CCA may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (*e.g.*, contingent deferred sales charge) and/or tax ramifications.

### **Use of Margin**

Based upon a particular client's investment objectives, CCA, from time to time may recommend that certain clients utilize margin or other securitized borrowing. CCA only recommends and helps coordinate such borrowing for non-investment needs, such as bridge loans and other financing needs. Our advisory fees are determined based upon the value of the assets being managed gross of any margin or borrowing.

### **Commissions and Sales Charges for Recommendations of Securities**

Clients can engage certain Supervised Persons of CCA (but not the firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with CCA.

Under this arrangement, our Supervised Persons, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), may provide securities brokerage services and implement securities transactions under a separate commission-based arrangement. Certain Supervised Persons of CCA are entitled to a portion of the brokerage commissions paid to PKS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. CCA may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS.

A conflict of interest exists to the extent that a Supervised Person of CCA recommends the purchase or sale of securities through a brokerage relationship where that Supervised Person receives commissions or other additional compensation as a result of that recommendation (the "Brokerage Relationship"). CCA has procedures in place to ensure that any recommendations made by such Supervised Persons to engage in a Brokerage Relationship are in the best interests of the client. Because the Supervised Persons may receive compensation in connection with the sale of mutual funds in the Brokerage Relationship, a conflict of interest exists as such Supervised Persons, may have an incentive to recommend more expensive mutual fund share classes to clients where such Supervised Persons may earn more compensation with respect to the sale of such mutual fund share classes.



Clients should also understand that investments made by clients through a Brokerage Relationship may be separate from the advisory services received by the client from the firm. Therefore, the firm does not have a fiduciary duty over the Brokerage Relationship recommendations. For certain accounts covered by the Employee Retirement Income Security Act of 1974 (“ERISA”) and such others that CCA, in its sole discretion, deems appropriate, CCA provides its investment advisory services to certain clients on a fee-offset basis. In this scenario, CCA offsets its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the firm’s Supervised Persons in their individual capacities as registered representatives of PKS.

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#### **Compensation Related to Recommendations of Insurance Products**

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Certain Supervised Persons of CCA are independently licensed to sell insurance in one or more states acting as a direct agent representative of a specific insurance company or companies. Insurance related business may be transacted with advisory clients and licensed individuals may receive commissions from insurance products sold to clients. Clients are advised that the fees paid to CCA for investment advisory services are separate and distinct from any commissions earned by CCA’s Supervised Persons for selling insurance products to clients. If requested by a client, we will disclose the amount of commissions expected to be paid.

The receipt of insurance related commissions by any individual associated with our firm presents a conflict of interest. Clients are informed that they are under no obligation to use any individual associated with our firm for the purchase of insurance products or services. Clients may use any insurance firm or agent they choose for purchase of these products and services. We encourage you to ask us about the conflicts of interest presented by the insurance licensing of our Supervised Persons.

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#### **Compensation for Recommending the Program**

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CCA has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of a client’s decision to participate in the Program. Any Supervised Person recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management program.

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#### **Rollover Recommendations**

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As part of our investment advisory services to you, we may recommend that you roll assets from your employer’s retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a “Plan Account”), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an “IRA Account”) that we will manage on your behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts. When we provide any of the foregoing rollover recommendations we are acting as fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the advisory agreement you executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to you (*i.e.*, receipt of additional fee-based compensation). You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

## **Item 5. Account Requirements and Types of Clients**

CCA offers Program services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and business entities. We require a minimum of \$500,000 in investable assets to commence and continue an advisory relationship.

## **Item 6. Portfolio Manager Selection and Evaluation**

Clients' investment portfolios are managed either directly by CCA or through the use of certain Independent Managers, as referenced above.

### **Evaluation of Portfolio Manager Performance**

Portfolio manager performances, including those of any Independent Managers, are evaluated in light of generally accepted benchmarks and/or our expectation of their performance level within the client's overall investment portfolio. We will consider replacing portfolio managers if they fail to meet the selected benchmark or otherwise fail to meet the expected level of performance we designate for your account.

You should be aware that because our in-house portfolio managers may manage all or a portion of your account, we have an incentive to evaluate their performance more favorably than we might otherwise if they were not affiliated with our firm. Likewise, because your portfolio manager may be affiliated with our firm, we have a disincentive to terminate their services to your account or to take other negative action as a result of their failure to perform to our expectations. You should be further aware that our firm cannot actively monitor any Independent Managers' conflicts of interest, daily trading activity, and other operational issues.

### **Performance-Based Fees and Side-By-Side Management**

CCA does not provide any services for a performance-based fee (*i.e.*, a fee based on a share of capital gains or capital appreciation of a client's assets), nor does it engage in side-by-side management of client accounts.

### **Methods of Analysis and Investment Strategies**

CCA's financial planning process drives our investment recommendations to clients. Once the firm has determined the client's larger financial picture (including, without limitation, the client's investment objectives, cash flow needs, retirement goals, education goals, and risk appetite), the firm can structure the portfolio's asset allocation (the percentage of assets to invest in higher-risk growth investments and the percentage to invest in conservative investments intended to preserve capital and/or generate income). The asset allocation, or mix between risk investments and conservative investments, is the largest determinate for both returns and risk.

After CCA has determined the basic asset allocation, its investment process uses macroeconomic analysis and fundamental research to determine which sub-asset classes and individual securities (both public and private) would provide the best risk adjusted return for the client's investment objective and financial situation. The firm's various strategies utilize a complement of individual stocks, mutual funds, index funds, ETFs, municipal and taxable bonds, and alternative investments.

In selecting individual stocks for investment, CCA emphasizes companies that are durable, have above average rates of growth, profitability, shareholder payouts, stable economics, and an attractive price for long-term investment. Coincidentally, companies that meet this description usually have high returns on capital, which allows them to compound earnings and grow intrinsic value over time. CCA tends to hold investments for multiple years or until the value of the securities reach the firm's intrinsic value estimates.

In selecting mutual funds and ETFs, CCA analyzes fund performance, fund objective and historical consistency in following objective, fee structure, turnover, management tenure, fund holdings, and diversification.

CCA manages fixed income investments including both taxable and tax-exempt individual issues, fixed income mutual funds and ETFs, and income alternatives. In selecting these investments, CCA places great importance on an issuer's financial strength, ability to fully repay indebtedness, and macro trends such as interest rates and inflation.

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### **Risk of Loss**

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the firm to provide investment management services on their behalf.

#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of CCA's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that CCA will be able to predict these price movements accurately or capitalize on any such assumptions.

#### *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

#### *Cash Management Risks*

The firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

#### *Fixed Income Securities*

Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations and to price volatility.

#### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual

NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Use of Independent Managers*

As stated above, CCA selects certain Independent Managers to manage a portion of its clients' assets. In these situations, CCA continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, CCA does not have the ability to supervise the Independent Managers on a day-to-day basis.

#### *Use of Private Collective Investment Vehicles*

CCA may recommend that certain accredited investor clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. They may also be illiquid and include higher internal fees and costs of participation than market traded securities. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks and consult with their independent legal and tax advisors prior to investing.

#### *Interest Rate Risks*

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by clients.

#### **Voting of Client Securities**

CCA does not accept the authority to vote a client's securities (i.e., proxies). Clients receive proxies directly from the custodian of their assets and may contact the firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

### **Item 7. Client Information Provided to Portfolio Managers**

In this Item we are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our in-house portfolio managers will have access to your suitability information, written financial plan (if any), and all other information provided to us by you and contained in your client file with the firm. Clients participating in the Program generally grant CCA the authority to discuss certain non-public information with the Independent Managers engaged to manage their accounts. Depending upon the specific arrangement, our

firm may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. CCA may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the Independent Managers' investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

## **Item 8. Client Contact with Portfolio Managers**

In this Item, CCA is required to describe any restrictions on clients' ability to contact and consult with the portfolio managers managing their investment portfolios. There are no restrictions on clients' ability to correspond with CCA. Clients can request to contact the Independent Managers managing their portfolios through CCA by providing us with a written request and identification of the questions or issues to be discussed with the Independent Managers. After receiving the client's written request, CCA, at its sole discretion, may contact the Independent Managers for the client or arrange for the Independent Managers and the client to communicate directly. The Independent Manager may not agree to communicate directly with the client.

## **Item 9. Additional Information**

### **Disciplinary Information**

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CCA has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

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

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This item requires investment advisors to disclose certain financial industry activities and affiliations.

#### *Registered Representatives of a Broker-Dealer*

Certain of our Supervised Persons are registered representatives of PKS and provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement and the related conflicts of interest is described at length in Item 4 of this brochure.

#### *Licensed Insurance Agents*

A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. This arrangement and the related conflicts of interest is described at length in Item 4 of this brochure.

### **Code of Ethics**

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CCA has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. CCA's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of CCA's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to

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permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

It is the policy of the firm that employee transactions in reportable securities are not to be placed prior to the execution of client transactions in the same securities. Exceptions to this rule include but are not limited to; block trades where employee accounts are executed at the same time and price as client accounts, dividend reinvestment plans, capital market generated transactions such as buy-outs or share repurchase auctions, and fixed income transactions which do not present a conflict of interest with a client account.

These requirements are not applicable to: (i) direct obligations of the government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact CCA to request a copy of its Code of Ethics.

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**Account Reviews**

CCA monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the firm's principals. All investment advisory clients are encouraged to discuss their needs, goals and objectives with CCA and to keep the firm informed of any changes thereto. The firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations. Additional account reviews for these clients may be triggered by, among other things, a change in client's investment objectives, risk/return profile, income level or cash flow needs; tax considerations; large contributions or withdrawals of assets; security specific events; or changes in the economy more generally.

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**Account Statements and General Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from CCA and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their Financial Institutions with any documents or reports they receive from CCA or an outside service provider.

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**Client Referrals**

CCA may receive certain benefits when mutual fund companies or related companies co-sponsor events for clients and/or prospects of CCA, including the payment of all or a portion of the expenses and costs for such events. CCA benefits from this arrangement through the opportunity for potential new or additional client services, etc. for which CCA may charge a fee. This may present a conflict of interest which CCA resolves through disclosure in this document. We only recommend investments based on our fiduciary duty to our clients.

We have no other arrangements, written or oral, in which we compensate others or are compensated for client referrals.

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**Receipt of Certain Economic Benefits and Brokerage Practices**

Clients must engage the brokerage and clearing services of National Financial Services LLC and Fidelity Brokerage Services LLC (together with affiliates, "Fidelity"), or another broker-dealer that CCA approves under the Program. CCA is independently owned and operated and not affiliated with Fidelity. Fidelity provides CCA with access to its institutional trading and custody services, which are typically not available to retail investors. Not all investment advisors require their clients to engage the custodial and trade executions services of a specific broker-dealer or custodian. Because clients having accounts managed by



our firm are typically required to open accounts with and use the custodial and brokerage transaction services of Fidelity, we may not be able to achieve the lowest cost execution of specific client transactions. Thus, it is possible that the exclusive use of only Fidelity may cost clients more money compared to other arrangements.

Factors which CCA considers in recommending Fidelity or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Fidelity enables us to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other broker-dealers.

The commissions paid by CCA's clients to Fidelity comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another broker-dealer might charge to affect the same transaction where CCA determines that the commissions are reasonable in relation to the value of the brokerage and research services received. The firm has negotiated an asset-based brokerage arrangement with Fidelity. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a custodian's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. CCA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist CCA in its investment decision-making process. Such research will be used to service all of the firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because CCA does not have to produce or pay for the products or services.

CCA periodically and systematically reviews its policies and procedures regarding its recommendation of broker-dealers in light of its duty to obtain best execution.

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#### **Software and Support Provided by Financial Institutions**

CCA receives without cost from Fidelity administrative support, computer software, related systems support, as well as other third-party support as further described below (together "Support") which allows CCA to better monitor client accounts maintained at Fidelity and otherwise conduct its business. CCA receives the Support without cost because the firm renders investment management services to clients that maintain assets at Fidelity. The Support is not provided in connection with securities transactions for clients' account (i.e., not "soft dollars"). The Support benefits CCA, but not its clients directly. Clients should be aware that CCA's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence CCA's choice of broker-dealer over another that does not furnish similar software, systems support or services, especially because the Support is contingent upon clients placing a certain level(s) of assets at Fidelity. In fulfilling its duties to its clients, CCA endeavors at all times to put the interests of its clients first and has determined that the recommendation of Fidelity is in the best interest of clients and satisfies the firm's duty to seek best execution.

Specifically, CCA may receive the following benefits from Fidelity: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

CRITERION CAPITAL ADVISORS, LLC  
FORM ADV PART 2A – WRAP FEE PROGRAM DISCLOSURE BROCHURE

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As described herein, CCA's management services are provided through the Program where the client does not pay separately for brokerage commissions. Fidelity's pricing to the firm for brokerage services is based partially on client holdings in types of investments, including cash and cash equivalents. This results in a conflict of interest to the Firm since there is an incentive to use such investments for the Firm to secure a lower fee from Fidelity which would benefit the Firm, but not the client.

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**Trade Aggregation**

Transactions for each client will be effected independently, unless CCA decides to purchase or sell the same securities for several clients at approximately the same time. CCA may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the firm's clients' differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among CCA's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which CCA's Supervised Persons may invest, the firm does so in accordance with applicable rules promulgated under the Investment Advisers Act of 1940 ("Advisers Act") and no-action guidance provided by the staff of the SEC. CCA does not receive any additional compensation or remuneration as a result of the aggregation of trades.

In the event that the firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

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**Financial Information**

CCA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Advisors who have discretionary authority over client accounts, custody of client assets, or who require or solicit pre-payment of more than \$1,200 in fee per client, six months or more in advance, are required to disclose any financial condition that is reasonably likely to impair their ability to meet contractual commitments to clients. CCA maintains discretionary authority over client funds and securities. We have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to our clients.

Neither CCA nor any of its principals, have been the subject of a bankruptcy petition at any time in the past 10 years.