

# Investment Advisory Services Brochure

## CSSC Investment Advisory Services, Inc.

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This brochure provides clients with information about investment advisory services that have been proposed, and this brochure should be reviewed and its contents considered before any investment is made. CSSC Investment Advisory Services, Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. If you have any questions about the contents of this brochure, please contact us at 888-844-2772.

This information has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about CSSC Investment Advisory Services, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



March 31, 2014

## Item 2 – Material Changes

This brochure (dated 03/31/2014) has been prepared according to the SEC's requirements and rules.

Pursuant to the amendments adopted by the SEC in July, 2010, we are required to provide you with a list of material changes that have occurred since our last issuance of this document.

A change to this document that is determined to be material effects clients who are political corporations or political sub-divisions. These clients may now qualify for on-going asset management through the new PC/PS Program.

Another material change within this document is about accounts that are managed within an ongoing advisory management program. Accounts may now be managed with trading discretion, upon completion of written agreements between you, the Investment

Advisory Professional, and CSSC Investment Advisory Services, Inc.

The last filing of our brochure with the SEC was March 31, 2013.

We 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 the CSSC Compliance Team at 888-844-2772 or [ComplianceTeam@CSSC.com](mailto:ComplianceTeam@CSSC.com).

Additional information about CSSC Investment Advisory Services, Inc. is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with CSSC Investment Advisory Services, Inc. who are registered, or are required to be registered, as investment adviser representatives of CSSC Investment Advisory Services, Inc.

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## Item 4 – Advisory Business

CSSC Investment Advisory Services, Inc. (“CSSCIAS”) is a wholly owned subsidiary of Consulting Services Support Corporation (“CSSC”). We were incorporated on January 21, 1998, under Michigan Law, and became registered with the SEC in February of 2002.

CSSCIAS and a growing national network of CSSC Affiliates are introducing a new and innovative investment consulting model and methodology which enables investors (individuals and fiduciaries) to optimize investment manager selection and performance monitoring in a way never before possible through a unique and patented investment advisory process developed by our parent company – Consulting Services Support Corporation.

As of December 31, 2013, we had \$ 419,721,000 in non-discretionary assets under management. We offer Individual Financial Consultations, a Professional Money Manager Evaluation Program, and an Open Architecture Group Retirement Program.

Individual Financial Consultation - In the event you request a financial consultation, there will either be a fixed-fee or an hourly fee charged for the agreed-upon work. Fee amounts, or rates, are based on the complexity of the work being performed, the estimated amount of time involved, the value provided to you, and other relevant factors. Fees may be waived in certain conditions. Clients who are political corporations or political sub-divisions may qualify for on-going asset management through the PC/PS Program, which is exclusively available to and tailored for this type of client. More information about this program may be found in the PC/PS advisory services agreement.

Ongoing Advisory Management - Professional Money Manager Evaluation Program - The investment advisory professional will provide an analysis that helps you select both an appropriate asset allocation and corresponding professional money managers (i.e. appropriate money management teams) from all

available professional money managers,<sup>1</sup> determined to be qualified representatives of the universe of managers investing within particular asset class categories comprising your investment portfolio.

We monitor and review your asset allocation quarterly for any imbalances. Each quarter we also monitor, review, and comparatively evaluate the investment performance of each of your selected professional money managers.

The Professional Money Manager Evaluation Program is best suited for those clients who want initial and ongoing investment advice, including quarterly reviews, to help you identify those professional money managers whose historic performance most closely matches the composite investment performance you wish to experience; from out of the more than 17,000 mutual funds, exchange traded funds (ETF), and more than 4,000 privately/separately managed accounts<sup>2</sup> available in the marketplace today.

The Open Architecture Group Retirement Program - We designed this program to assist trustees of group retirement plans in meeting their fiduciary responsibilities by helping them to identify and comparatively evaluate mutual fund and ETF money managers qualified for inclusion within group

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<sup>1</sup> The term “professional money manager” refers specifically to either mutual fund money managers (both load and no-load), exchange traded funds (ETF), or private or separate account money managers (sometimes referred to as “SMAs”. The word “all” is intended to refer to those money managers, both mutual fund and separate account money managers, who make performance information available to national reporting services. The word “available” means those professional money managers with regard to the services of which we are able to provide you with access. To the greatest extent practically possible, we seek to provide true universal, unbiased market access to all available, non-proprietary investment managers.

<sup>2</sup> In this context, “accounts” refers to composite portfolio performance reported by professional money managers for the various clients that they serve.

retirement plans. Trustees will receive an initial analysis that may contain, if applicable, a study of suggested model portfolios representing a wide spectrum of risk tolerances (from conservative to aggressive), as well as a comparative analysis of money managers that would appear to be appropriate candidates for inclusion within the various asset classes within the group retirement plan.

Once you, the trustee, have selected the investments, each manager's performance is then reviewed and comparatively evaluated quarterly, the results of which are provided to you by your CSSCIAS supported Investment Advisory Professional in a quarterly review that is designed to assist you in meeting your ongoing fiduciary responsibilities regarding the monitoring of investment results and manager performance.

Upon approval, private / separate account money managers, individual securities (e.g. individual stocks, bonds, etc.) or other types of investments (e.g. annuities) may be included in this program to fulfill your specifically stated needs and investment preferences. We do not accept or maintain custody of the plan's investments, cash, or securities.

### **Professional Money Manager Evaluation Program**

#### **Effective Date<sup>3</sup> of the Advisory Agreement**

We require that your Advisory Agreement be received by us within the same quarter as the Effective Date of the Advisory Agreement. The Agreement must be received by us by the end of the then current quarter in order to be acceptable.<sup>4</sup>

If you wish to submit an Advisory Agreement with a future Effective Date you may do so only to the extent that the future Effective Date of the Advisory Agreement does not exceed the last day of the then subsequent quarter.

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<sup>3</sup> The term "Effective Date" shall mean the date upon which the Parties intend for the Agreement to be enforceable in all respects, including the accumulation of commission credits.

<sup>4</sup> A facsimile or scanned copy of the Advisory Services Agreement may be accepted by CSSC Investment Advisory Services, Inc. at its sole discretion.

#### **Changes to Your Advisory Services Agreement**

We reserve the right to alter and/or amend any portion of the provisions or terms and conditions of your Advisory Services Agreement upon at least a thirty (30) day prior written notice to you, during which time you may terminate the Advisory Services Agreement by providing us with written notice of termination. If no notice of termination is given, the amended Advisory Services Agreement will become effective as of the effective date specified in the notice (unless otherwise noted), and the newly revised Advisory Services Agreement shall thereafter supersede any prior Advisory Services Agreement.

#### **Quarterly Reviews**

If the Advisory Services Agreement is not effective prior to the last month of the calendar year quarter<sup>5</sup>, then we will not provide a quarterly review to you for that calendar quarter.

The content and format of quarterly reviews may vary from client to client. We provide reports and information based upon the specific circumstances and needs of the client, and upon the performance reporting protocols from time to time adopted by us.

#### **Timing of the Quarterly Review**

In general, we anticipate that you will receive your quarterly review, from your Investment Advisory Professional, within a reasonable period of time, typically not exceeding 31 days, following the end of each calendar quarter.<sup>6</sup> We are not responsible for the failure of your Investment Advisory Professional to deliver the quarterly review to you in a timely manner. In the event that you do not receive the quarterly review in a timely manner, you may directly contact us and request a copy of your quarterly review, which we will send to you at the expense of the Investment Advisory Professional.

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<sup>5</sup> January 1<sup>st</sup> – March 31<sup>st</sup> / April 1<sup>st</sup> – June 30<sup>th</sup> / July 1<sup>st</sup> – September 30<sup>th</sup> / October 1<sup>st</sup> – December 31<sup>st</sup>.

<sup>6</sup> Although not anticipated, it is possible that the delivery of the quarterly review to the Investment Advisory Professional by us (for subsequent delivery to you) may be delayed longer than thirty-one (31) days after the end of a calendar quarter due to circumstances outside of our control.

#### Provisions Regarding Timing of the Quarterly Review for Performance-Based Advisory Fee Option

In the event the delivery of the quarterly review is delayed beyond 60 days, following the end of a calendar quarter, or your measurement period (the term "measurement period", shall mean that period in which manager performance is evaluated and compared to the benchmark indices), you shall receive a day-for-day extension for every day that we are late in providing the Investment Advisory Professional with your quarterly review in order to make a decision regarding whether to terminate the investment program, to convert to the Asset-Based Advisory Fee option, or to stay with the Performance-Based Advisory Fee option.

#### **Termination of Investment Advisory Services by CSSCIAS**

##### Provisions Applicable to Our Termination of Asset-Based Advisory Fee Engagement

If your account is reduced below the minimum account size (i.e. \$50,000) at the end of any quarter<sup>7</sup>, for any reason other than market fluctuations or deduction of the investment advisory fee (such as a reduction below the minimum account size as a result of withdrawals that you have made from the account), while still maintaining an account balance, then the Advisory Services Agreement will be terminated as of the end of that quarter and no further investment advisory services will be provided. In order to re-qualify for this investment advisory program, the account will have to once again meet the minimum size requirement of \$50,000, and a new Advisory Services Agreement will have to then be entered into. If your Advisory Services Agreement is terminated, for any reason, you will not be provided a quarterly review for the quarter in which such termination occurs. Any remaining commission credits relating to such account(s) will be forfeited. Additionally, we reserve the right to terminate any Advisory Services Agreement, and/or any account(s) relating to such Agreement.

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<sup>7</sup> This does not include new clients in the process of transferring assets into this Program, where the total amount of assets being transferred will exceed the minimum account size requirement.

#### Provisions Applicable to Our Termination of Performance-Based Advisory Fee Engagements

If your account is reduced below the minimum account size (i.e. \$10,000,000) at the end of any measurement period, for any reason other than market fluctuations or deduction of the investment advisory fee (i.e., as a result of any withdrawals made from the account), while still maintaining an account balance, then the Advisory Services Agreement will not be terminated but rather converted automatically to the Asset-Based Advisory Fee pricing platform for the next measurement period.

Other than for breach of the confidentiality provisions of the Agreement (see Confidential & Proprietary Information), we will not terminate a client selecting the Performance-Based Advisory Fee at any time other than within the sixty (60) day period after the completion of the client's measurement period. In the event we terminate your Advisory Services Agreement for cause, we will charge you the higher of the Asset-Based Advisory Fee or the Performance-Based Advisory Fee, based upon a pro-rata calculation of the number of days that you received our advisory services.

#### **Termination of Investment Advisory Services by You**

##### Provisions Applicable to Your Termination of Asset-Based Advisory Fee Engagements

If you wish to terminate the Advisory Services Agreement you may do so by informing us in writing. Termination will not be considered effective prior to the date of actual receipt of written notice by CSSCIAS. If you terminate the Advisory Services Agreement you will not be provided a quarterly review for the quarter in which the termination occurs. In such event, the investment advisory fee will be due, assessed, and deducted from your account immediately, based upon a pro-rata calculation of the number of days that you received our advisory services, for which you had not yet paid (i.e. from the date of termination back to the last date with regard to which fees were paid for services rendered).

In the event that we receive notification of your intention to transfer your account(s) to another

broker/dealer and/or clearinghouse (unless otherwise agreed in writing by us), we will consider the account(s) immediately terminated from the Advisory Services Program as of that date. The investment advisory fees owed at that time will be immediately due, assessed, and deducted from your account in the same manner described above. Cases in which multiple accounts are managed together and one or more, but not all, of the accounts will be transferring, the advisory fee, for the number of days the transferring accounts were managed, will be based on the aggregate asset amount of the entire case. If the account(s) transfer prior to any due advisory fees being debited, the remaining managed account(s) may be billed the amount due. In such event, any remaining commission credits relating to such terminating account(s) will be forfeited.

#### Provisions Applicable to Your Termination of Performance-Based Advisory Fee Engagements

If you choose the Performance-Based Advisory Fee option you are permitted to terminate the Advisory Agreement during the measurement period when written notice of termination is provided to us at least thirty (30) days prior to the effective date of the termination. In the event of such termination, the Advisory Agreement will terminate at the end of the 30-day period and the fee that will be due will be the higher of the Performance-Based Advisory Fee for that reduced portion of the measurement period (from its commencement until the date of its early termination) or the applicable Asset-Based Advisory Fee. We will make the fee calculation at the earliest practical time; we will then communicate it to you, for your review. If, after a period of 10 days following delivery of the fee calculation to you, you do not provide evidence that the calculation is in error, the fee amount will be considered to be accurate and we will have the immediate right to deduct that amount from your account and may reserve a sufficient amount from any client account transfer request to ensure that sufficient funds remain to pay the fee. If no such deduction is possible, you agree to pay us the amount of the fee within 10 days following the end of the 10 day period provided, above, for your review.

Following the completion of the measurement period, you can either terminate your participation in the Performance-Based Advisory Fee investment program altogether, or convert to the Asset-Based

Advisory Fee option, if notice of your desire to do either is given in writing to us within the first sixty (60) calendar days after completion of your measurement period. In absence of such notification within the allowed period, the Advisory Agreement (with regard to which the Performance-Based Advisory Fee has been elected) may not be terminated by you during the remainder of the then current measurement period, except as provided above.

### **The Open Architecture Group Retirement Program**

We designed the Open Architecture Group Retirement Program to assist trustees in meeting their fiduciary responsibilities by helping them to identify and comparatively evaluate investments for inclusion in their plans. Trustees will receive an initial analysis that contains a study of suggested asset classes comprising of a range of model portfolios, as well as a comparative analysis of mutual fund money manager candidates for inclusion within the Group Retirement Program.

This program is best suited for trustees seeking initial and ongoing investment advice to assist them in meeting their fiduciary responsibilities in the areas of investment selection and ongoing performance monitoring. You, the trustee, will receive a quarterly review provided by the Investment Advisory Professional.

Once the investments have been selected by the trustees, each manager's performance is then reviewed and comparatively evaluated quarterly, the results of which are provided to you in a quarterly review, designed to assist the trustees in meeting their ongoing fiduciary responsibilities.

Upon approval, private / separate account money managers, individual securities (e.g. individual stocks, bonds, etc.) or other types of investments (e.g. annuities) may be included in this program in order to fulfill your specifically stated needs and investment preferences.<sup>8</sup> We do not accept or maintain custody

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<sup>8</sup> For example, an employer may request to include the sponsoring company's stock in the Plan. The inclusion of other investments and/or money managers does not necessarily mean that they will be analyzed in the same



of the Plan's funds or securities.

The Asset-Based Advisory Fee option does not include third party administration (TPA) services, custody/trust services, and other services that the Plan may need, which are separate from the investment advisory services provided by us.

### Timing of the Quarterly Review

In general, it is anticipated that Plans will receive their quarterly review, from their Investment Advisory Professional, within a reasonable period of time, not exceeding 45 days, following the end of each calendar quarter.<sup>9</sup> We are not responsible for the failure of the Plan's Investment Advisory Professional to deliver the quarterly review to you in a timely manner. In the event that you do not receive the quarterly review in a timely manner, you may directly contact us and request a copy of your quarterly review, which we will send to you at the expense of your Investment Advisory Professional.

### Confidential & Proprietary Information

You acknowledge that all investment advice provided under this investment program, both written and oral, constitutes confidential and proprietary information; and that such information has been produced by and/or has resulted from processes that are patented and/or may constitute proprietary trade secrets of CSSC and/or CSSCIAS. You also acknowledge that such information is designed and intended to be utilized only for your accounts that are in this program – not for any other accounts including those outside of this program or the coverage of this Advisory Services Agreement. Accordingly, you agree that you will preserve the confidentiality of such information and not communicate or distribute the same, in any form or manner, without the prior written authorization of CSSCIAS. Moreover, you understand and agree that we reserve the right, at any time, to request that you provide us with duplicate account statement(s) for

manner as the mutual fund money managers included in this Program.

<sup>9</sup> Although not anticipated, it is possible that the delivery of the quarterly review to the Investment Advisory Professional by us (for subsequent delivery to you) may be delayed longer than forty-five (45) days after the end of a calendar quarter due to circumstances outside of our control.

all brokerage accounts outside of the program, for or over which you have authority, either directly or indirectly, to transact business. Upon request, all account statements must be sent directly from the brokerage house or clearing firm custodializing the assets for such accounts to the address of record for CSSCIAS.

### Item 5 – Fees and Compensation

#### Professional Money Manager Evaluation Program

There are two pricing options for our Professional Money Manager Evaluation Program. The Asset-Based Advisory Fee option is available to all individuals and institutions with accounts of not less than \$50,000<sup>10</sup>. The Performance-Based Fee option is available only to “qualified clients”<sup>11</sup> with accounts of not less than \$10,000,000 in the Program.

The Asset-Based Advisory Fee option is primarily suited for those clients desiring to have a greater degree of certainty as to the amount of the annual investment advisory service charge (which will be assessed on a quarterly basis). The calculation of the Asset-Based Advisory Fee option is based upon the total ending balance of your investment accounts, and is deducted from your designated account, at the end of each quarter.

The Performance-Based Advisory Fee option is described in item 6 – Performance-Based Fees and Side-By-Side Management.

The advisory fees can be negotiated in some circumstances, but any discount is at the sole discretion of CSSC Investment Advisory Services, Inc.

<sup>10</sup> This minimum does not apply to accounts owned by employees (or their spouses) of CSSC Investment Advisory Services, Inc. or its parent company (CSSC), or individuals who are licensed, securities-registered individuals affiliated with us.

<sup>11</sup> For further specifications on being “qualified,” please refer to Rule 205-3 of the Investment Advisers Act of 1940.



## Conversion Option

### Conversion from Asset-Based Advisory Fee to Performance-Based Advisory Fee

If you wish to convert from the Asset-Based Advisory Fee to the Performance-Based Fee you may do so, upon our approval, at the beginning of any calendar quarter. If you convert from the Asset-Based Advisory Fee to the Performance-Based Advisory Fee, you must sign a new Advisory Services Agreement and must remain in the Performance-Based Advisory Fee Program for a minimum of one measurement period.

### Conversion from Performance-Based Advisory Fee to Asset-Based Advisory Fee

Each year, for a period of sixty (60) days, beginning on your anniversary date, you shall have the option to convert from the Performance-Based Fee option to the Asset-Based Advisory Fee option. We must receive and have accepted a new signed Agreement on or before the sixtieth (60<sup>th</sup>) calendar day following your measurement period anniversary date in order for you to be eligible for the conversion.

## Compensation of the Investment Advisory Professional

Under either pricing option, the Investment Advisory Professional will receive a percentage of the annual advisory fee charged to the account less any transaction or "service charges" that may be paid to the broker/dealer and/or to the clearinghouse to assist in maintaining the account(s). The Investment Advisory Professional will receive compensation as a result of your participation in any of the Investment Programs (unless otherwise noted). The amount of compensation may, in some instances, be more than the amount the Investment Advisor would receive if you participated in other programs available through us, or if you had paid separately for investment advice, brokerage services, and other related services.

We may, in our discretion, reduce and/or waive the annual advisory fee and/or account size for employees (or their spouses) of CSSCIAS or its parent company (CSSC). We may also, in our sole discretion, charge  $\frac{1}{4}$  of the advisory fee that would otherwise be due hereunder, for accounts owned by individuals who, though not employees of CSSCIAS or the parent company (CSSC), are licensed, securities-registered individuals affiliated with us. Additionally, we may charge  $\frac{1}{2}$  of the advisory fees that would otherwise be due for accounts where a fiduciary responsibility exists (e.g. trust accounts) for our securities-registered individuals. In such events, the Investment Advisory Professional may not receive any portion of the remaining advisory fee charged by CSSCIAS.

## Asset-Based Advisory Fee Schedule

Individuals or institutions having advisory accounts of at least \$50,000 in the Professional Money Manager Evaluation Program qualify for the Asset-Based Advisory Fee option. The annual advisory fee is based upon incremental rates that are charged to each tier of assets, and applied to all assets within the account(s). The advisory fee is assessed at the end of each calendar quarter,<sup>12</sup> in an amount equal to ¼ of the annual Asset-Based Advisory Fee. The schedule below shows the Annual Incremental Rate that applies to each tier of assets. *If your assets are below either Program minimum, the annual fee would be greater than 2.50%, which may be higher than typical advisory fees charged to financial services clients.*

To use this fee schedule, you need to know the portfolio's total dollar value. Once the dollar value of the portfolio has been determined, **(1) reference the schedule below to identify the applicable "Dollar Value of Assets" tier**, and then **(2) use the corresponding "Annual Fee Calculation" portion of the schedule to calculate the annual fee.**

For example, the annual fee for a portfolio that has a total dollar value of \$550,000 is calculated in the following way:

Given that the value of the portfolio exceeds \$500,000 but has less than \$1,000,000, the annual fee for this portfolio will be "\$8,250 + 1.00% of the amount over \$500,000." The application of this formula is shown below:

$$\$8,250 + (1\% * (\$550,000 - \$500,000)) =$$

$$\$8,250 + (1\% * \$50,000) =$$

$$\$8,250 + \$500 = \$8,750.$$

Dollar Value of Assets	Annual Incremental Rate	Annual Fee Calculation
0 - 100,000	2.50%*	2.500% * of the asset amount
100,001 - 250,000	1.75%	\$2,500 + 1.750% of the amount over \$100,000
250,001 - 500,000	1.25%	\$5,125 + 1.250% of the amount over \$250,000
500,001 - 1,000,000	1.00%	\$8,250 + 1.000% of the amount over \$500,000
1,000,001 - 2,500,000	0.75%	\$13,250 + 0.750% of the amount over \$1,000,000
2,500,001 - 5,000,000	0.60%	\$24,500 + 0.600% of the amount over \$2,500,000
5,000,001 - 10,000,000	0.50%	\$39,500 + 0.500% of the amount over \$5,000,000
10,000,001 - 25,000,000	0.375%	\$64,500 + 0.375% of the amount over \$10,000,000
25,000,001 - 50,000,000	0.150%	\$120,750 + 0.150% of the amount over \$25,000,000
50,000,001 - 100,000,000	0.075%	\$158,250 + 0.075% of the amount over \$50,000,000
100,000,001 - 250,000,000	0.050%	\$195,750 + 0.050% of the amount over \$100,000,000
250,000,001 - 500,000,000	0.030%	\$270,750 + 0.030% of the amount over \$250,000,000
500,000,001 - +	Negotiable	Negotiable

\* *Professional Money Manager Evaluation Program: If your total asset value falls below \$50,000, we will charge you a minimum annual advisory fee of \$1,250.00 (assessed quarterly);*

\* *Open Architecture Group Retirement Program: Plans that have a total asset value below \$100,000, will be charged a minimum annual advisory fee of \$2,500.00 (assessed quarterly);*

<sup>12</sup> This excludes any "partial quarter" wherein the investment advisory fee is prorated based upon the amount of time the client has been in the Program.

## **Crediting of Commissions / Fees**

In the Professional Money Manager Evaluation Program, most commissions received by our affiliated broker/dealer, CSSC Brokerage Services, Inc., are applied as a credit against advisory fees due, and such amounts that are so applied are referred to as a "commission credit". This non-refundable credit will apply to the portion of the annual advisory fee due for the quarter within which the commission is received. Any unused portion of such credit will be applied as a credit against future quarterly installments of the annual advisory fee, as the same become due, until the entire amount of such "commission credit" is exhausted. No unused portion of any such commission credit will be refundable. Any commissions generated prior to the Effective Date of the Advisory Agreement will not be credited towards the Asset-Based Advisory Fee. Commission credits are fully-transferable when switching between either of the two fee pricing options.

### **Nature of Fees**

You should be aware that by utilizing any of our programs you may incur other fees from third parties such as retirement plan administration fees, custodians, clearinghouse transactions and service charges, deferred sales charges on mutual funds, and 12b-1 fees and other mutual fund expenses.

Advice offered by an Investment Advisory Professional of CSSCIAS may include advice regarding investments in mutual funds. Both load and no-load mutual funds may pay annual distribution charges, sometimes referred to as "12b-1 fees" (named after the regulatory rule authorizing such payments). These 12b-1 fees come from fund assets, and thus, indirectly, from your investment in such funds. These 12b-1 fees may be paid to CSSC Brokerage Services, Inc. and a portion allocated to

the Investment Advisory Professionals who are also Registered Representatives of CSSC Brokerage Services, Inc. These amounts are not subject to "crediting" (see Crediting of Commissions / Fees).

You are under no obligation to purchase or sell securities through your Investment Advisory Professional. However, if you choose to do so through the Investment Advisory Professional's affiliated broker/dealer (currently CSSC Brokerage Services, Inc.), commissions may be earned in addition to any fees paid for advisory services. The commissions may be higher or lower at CSSC Brokerage Services, Inc. than at other broker/dealers.

Although the majority of the commissions received by CSSC Brokerage Services, Inc. are applied as a credit against your advisory fee, as detailed in this brochure, 8% of commissions generated are retained by the broker/dealer as a transaction cost, and a small portion of commissions may be retained by mutual fund companies. The fact that commissions could exceed the amount of advisory fees could be considered an incentive to recommend load funds over no-load funds, and could therefore be viewed as a potential conflict of interest.

### **Use of Back-End & Level-Loaded Mutual Funds**

The purchase of back-end loaded and level-loaded mutual fund share types will only be permitted if an acceptable rationale can be provided to us. Back-end mutual fund share types (commonly referred to as "B shares") and level-loaded share types (often referred to as "C shares") rarely result in an overall lower expense ratio for you than other share types and are, therefore, rarely considered by us to be in our clients' best interests.

## Account Maintenance / Transaction Charges

In addition to the Asset-Based Advisory Fee or the Performance-Based Advisory Fee, you will be charged transaction charges pursuant to the broker/dealer and clearinghouse's stated pricing schedules, which are subject to change without advance notice. These account maintenance and transaction charges will be deducted from your account upon trade execution, or upon the performance of the service(s) for which the charge(s) relates, and are retained by the clearinghouse and broker/dealer. Some of the more common<sup>13</sup> Account Maintenance / Transaction Charges are:

- Ticket Charges for Purchase or Sale of Load or No-Load Mutual Funds
- Mutual Fund Exchanges
- Purchase or Sale of Stocks
- Purchase or Sale of Government and Agency Bonds
- Purchase or Sale of up to 30 Corporate or Municipal Bonds
- Annual ProCash Plus (Gold) Account Maintenance Fee (i.e. check writing)
- Processing Fee Per Transaction
- Termination Fee for Qualified (versus non-qualified) Accounts
- Cost Basis Tracking
- Qualified Account Custodial Fee

## Deduction of Investment Advisory Fee

The Asset-Based Advisory Fee will be paid in quarterly installments, which will be due and payable on the first business day of each quarter based upon the asset value of the account(s) as of the last business day of the prior quarter. Additional deposits to the account are subject to the then current investment advisory fee charged at the end of the quarter within which the additional deposits are made.

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<sup>13</sup> The list provided is not intended to be exhaustive and is only a sampling of some of the more common charges that you may experience.

Prior to the deduction of the initial advisory fee, you will designate, either in writing or through your Investment Advisory Professional, an "advisory fee deduction account," from which the advisory fee will be deducted. If, for any reason, you fail to designate an advisory fee deduction account prior to the time the first fee is due and payable, then we may designate an advisory fee deduction account at our sole discretion.

Thereafter, if you wish to change the advisory fee deduction account, the request must be made in writing, from you or your Investment Advisory Professional, prior to the end of the calendar quarter. We reserve the right to approve or disapprove any such request.

The quarterly fee will be deducted directly from the designated account unless the custodial arrangement selected does not permit direct debiting of advisory fees, in which case an invoice for payment will be sent to you. The quarterly fee will not be deducted directly from the account if the case qualifies and is approved for direct billing. See Direct Billing section below.

The quarterly fee will be deducted from the designated account typically during the first week of the month following the end of the quarter, as long as an Agreement has been effective for at least one calendar month, prior to the end of the then current calendar year quarter. If the Agreement was not effective for at least one calendar month, prior to the end of the then current calendar quarter, then the first quarterly installment will be accrued and assessed on the first day following the end of the first full calendar quarter.

In the event the advisory fee deduction account does not have sufficient cash position(s) to cover the quarterly fee, we will liquidate investment(s), at our sole discretion, in order to cover the advisory fee. In such event, a forced liquidation fee of \$250 may be assessed to both you and the Investment Advisory Professional. We reserve the right, to designate and/or change your advisory fee deduction account without advance notice or approval.

Each of your accounts held at the designated custodian will be included within the Advisory Agreement, unless otherwise approved by us in

writing upon your written request. If you authorize any transaction(s) in any account(s) not included in the Program, which appear to be based on information obtained from your use of this program, then we may automatically include any such investment(s), which we believe were derived from, or influenced by, our analyses. In such event, the applicable investment advisory fee will be due and payable immediately and assessed upon the amount of time elapsed since the transaction(s) took place. Thereafter, any such investments, and the account(s) holding such investments (if we determine the same to be appropriate), will be included in the program and automatically subject to all other provisions of the program.

#### Direct Billing of Investment Advisory Fee

Upon your written request, we may also approve direct billing of quarterly advisory fees for trustee-directed accounts. The invoice will be due upon receipt, and is to be paid no later than 15 calendar days from the date of issuance of the quarterly review to the Investment Advisory Professional. If, for any reason, the invoice is not paid by the trustees within the allotted time, we shall have the right and option to immediately deduct the full amount of the advisory fee from the designated account and approval for direct billing may be revoked by us for future quarters.

#### **Adjustments to the Investment Advisory Fee**

In the event of an error, we reserve the right to adjust your investment advisory fee. We will notify you of any such correction within a reasonable timeframe and provide an explanation of the adjustment.

#### **Adjustments to the Security Prices Received from Custodian**

We rely upon security price files obtained from the qualified custodian for the purposes of calculating advisory fees due and for purposes of evaluating and reporting performance. In the event we discover discrepancies in security prices between qualified custodians, outside third-party pricing services may be utilized to determine the most accurate price as may reasonably be possible. This may cause a difference in value reported on brokerage statements compared to values reported by us. In the event of such a pricing error by either a reporting company

(such as a publicly traded company or mutual fund company), we reserve the right to adjust your investment advisory fee.

Please contact your Investment Advisory Professional if you should have any questions regarding the pricing of your securities.

#### **Changes to Advisory Fees**

We may change the annual advisory fee upon thirty (30) days written notice to you, during which time you may terminate the Advisory Services Agreement by providing us with a written notice of termination. If no notice of termination is given, or if you authorize any new solicited buy transaction(s) during the thirty (30) day period, the new advisory fee will become effective as of the effective date specified in the notice of the fee change (unless otherwise noted). Additionally, if, for any reason, an advisory fee is changed mid-quarter, the fee will be calculated based upon the number of days each fee rate was effective during such time period.

#### **Aggregating Accounts In Order to Obtain a Decreased Investment Advisory Fee**

Accounts will not be aggregated for the purpose of obtaining a lower fee unless there is a compelling and obvious rationale for doing so (i.e. families, 401(k), Profit Sharing, Money Purchase, etc. for the same company) and the accounts can reasonably and logically be combined into one quarterly review. In such a case, all trustees/plan fiduciaries must be parties to the advisory services agreement in order to do so.

Although not meant to be a complete list, aggregation privileges will not apply if there is a difference in any of the following:

- 1) Plan sponsors,
- 2) Goals, objectives, and risk tolerance,
- 3) Custodians, and/or:
- 4) Accounts presenting a potential conflict of interest.

We must agree to the aggregation of each account and specifically reserve the right to decline requests to combine accounts.

## **Death of Client**

Upon notice of a client's death, the client's assets will be frozen and the Advisory Services Agreement will be immediately terminated. The client's fee will be prorated to the date of the client's death and deducted from the client's account. If the estate of the deceased, or the beneficiary of the assets, should wish to continue with the investment program, a new Advisory Services Agreement must be established. If the deceased had any existing commission credits, they will not be carried over to any new Advisory Services Agreement. In the event of the dissolution of a corporate, trust, or other non-natural entity client (e.g. termination of a trust, dissolution of a profit sharing plan), we will address each such situation on a case-by-case basis.

## **The Open Architecture Group Retirement Program**

### **Start-Up and Small Group Retirement Plans**

A plan desiring to use the Open Architecture Group Retirement Program should have anticipated plan assets of at least \$100,000. The annual advisory fee for group retirement plans under \$100,000 in size is \$2,500 per year, assessed directly to the plan sponsor, and payable quarterly. Once the plan's assets reach \$100,000, the plan will begin paying the advisory fee pursuant to the schedule, and the plan sponsor can either elect to continue to be billed directly or deducted pro-rata from the plan participant's account(s).

### **Direct Billing of Annual Advisory Fee**

In the event the plan sponsor wishes to pay the Asset-Based Advisory Fee on behalf of plan participants, we will allow the plan sponsor to be billed directly, provided that the invoice is paid within 15 calendar days from the date of issuance of the quarterly review to Investment Advisory Professional. If, for any reason, the invoice is not paid by the plan sponsor within the allotted time, the advisory fee will be immediately deducted, pro rata, from each plan participant's account(s), and approval for direct billing may be revoked for future quarters.



## **Custodian Fees**

Fees assessed by the custodian are separate from those charged by the Investment Advisory Professional and us. Custodian fees will vary depending on, but not limited to, the custodian utilized, the scope of services requested, and size of the plan.

## **Third Party Administrator (TPA) Fees**

Fees assessed by the TPA are separate from those charged by the Investment Advisory Professional and us. TPA fees will vary depending on, but not limited to, the TPA utilized, the scope of services requested and performed, and size of the Plan.

## **Financial Consultation Fees**

Fees for a financial consultation will be disclosed, and/or negotiated with you, prior to the commencement of any work. Any agreed upon fee between the Investment Advisory Professional, and you, cannot be binding upon us until such time as we accept the terms of the agreement reached, as evidenced by a properly signed and completed Consulting Agreement.

Upon written notification from you requesting a termination of the Consulting Agreement, you shall be entitled to a refund of fees for that portion of the work (if any) that has been prepaid but has not yet been performed. Any out of pocket expenses incurred by us will be your responsibility, and shall be immediately due and payable upon notice to you.

## **Item 6 – Performance-Based Fees and Side-by-Side Management**

### **Performance-Based Fees**

We also have a Performance-Based Fee option that is available only to “qualified clients” with account values of \$10,000,000 or more.

The Performance-Based Advisory Fee option is primarily designed for qualifying individuals or institutions that would prefer to link the advisory fee to the overall performance of their investment accounts. Individuals or institutions who choose this option will

pay an advisory fee only when the composite performance of their portfolio exceeds the composite performance of the respective blended benchmark indices over the measurement period. If the composite performance of their portfolio does not exceed the performance of the corresponding blended benchmark indices, no advisory fee is due. However, if the composite performance of their portfolio exceeds that of the blended benchmark indices, then the advisory fee due is based upon a percentage share of the amount by which the portfolio out-performed the blended benchmark indices. Clients who choose the Performance-Based Advisory Fee option may pay a higher or lower annual advisory fee than if they had selected the Asset-Based Advisory Fee option, depending on their investment performance.

### **Performance-Based Advisory Fee Schedule**

Qualifying individuals or institutions desiring an alternative to the Asset-Based Advisory Fee option may, as described above, select the Performance-Based Fee option.

If you are a qualifying client who elects this option, we will only be compensated if the composite performance of your portfolio exceeds the composite performance of the respective blended benchmark indices (for the same portfolio) over the measurement period. The measurement period will typically be four consecutive quarters, with the exception of the initial measurement period. The initial measurement period, which will follow the completion of the transition period and begin on the first day that both manager and benchmark index data is available (in such manner as you, the Investment Advisory Professional and CSSCIAS shall agree in writing) and ends on the last day of the fourth full, consecutive quarter following the beginning of such period, even if (in doing so) the initial measurement period will last longer than 365 days (i.e., the first measurement period may exceed 365 days). Upon completion of the initial measurement period, all subsequent measurement periods will begin on the day after the end of the previous measurement period and end on the last day of the fourth consecutive quarter.

The “Participation Ratio” represents the percentage of the excess return (i.e., the amount by which the composite performance of your portfolio exceeds the



composite performance of the blended benchmark indices) that would be paid to us for our advisory

services for that measurement period.

<u>Account Size</u>	<u>Participation Ratio</u>
\$10,000,000 - \$24,999,999	25%
\$25,000,000 - \$49,999,999	20%
\$50,000,000 - \$99,999,999	15%
\$100,000,000 - \$249,999,999	12.5%
\$250,000,000 - \$999,999,999	10%
\$1,000,000,000 +	negotiable

We will base the participation ratio for your measurement period upon your average capital base.<sup>14</sup>

### Side-by-Side Management

Registered Investment Advisers are required in this item to inform you as to whether or not they practice "Side-by-Side Management." "Side-by-side management" is the simultaneous management of performance-based accounts and non-performance-based accounts. CSSCIAS and the Investment Advisory Professional may practice side-by-side asset management. For potential conflicts of interest that can arise from side-by-side management, please see "Conflicts of Interest" on page 20.

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<sup>14</sup> "Average capital base" represents the beginning market value of the account adjusted to reflect average net capital contribution (contributions less withdrawals) for a period. Average Capital Base = Beginning Market Value plus the sum of each contribution multiplied by the percentage of remaining sub-periods within the period, minus the sum of each withdrawal multiplied by the percentage of remaining sub-periods within the period.

### Cross-Over Point

The point at which the Asset-Based Advisory Fee equals the Performance-Based Fee is the “cross-over point.” In most cases, the cross-over point will occur when your composite portfolio outperforms the composite benchmark indices by approximately 2%.

In comparing the two pricing options, there will always be a cross-over point at which one pricing option is more or less favorable to you than the other – a potentially important factor in determining which pricing option to select for an advisory account. For example, a client with an advisory account of \$500,000,000 has an up-front choice (at the beginning of the investment advisory engagement, and with our consent) between electing the Performance-Based Advisory Fee, having (in this example) a participation ratio of 10%, instead of the Asset-Based Advisory Fee option of (based on the value of the assets within that client’s account). If the performance of that client’s composite portfolio were to exceed (over the ensuing measurement period) the composite performance of the respective blended benchmark indices by 3%, that client would pay more than if that client would have selected the Asset-Based Fee option. Conversely, if the composite portfolio outperformed the composite benchmark indices by 1%, the Performance-Based Fee would be less than if that client had selected the corresponding Asset-Based Advisory Fee option.

### Performance-Based Fee Calculation

A composite index is constructed based upon a blend of individual indices that you, the Investment Advisory Professional and CSSCIAS agree appropriately represent the asset classes comprising your portfolio. Rates of return will be calculated on a time-weighted basis (as opposed to a dollar-weighted basis) to isolate the performance of the managers from the

potentially distorting effects of cash flows in and out of the portfolio.

If the composite performance of your portfolio exceeds the composite performance of the blended indices for the measurement period applicable to your advisory account(s), our fee will be equal to the participation ratio times the “excess return” (the applicable amount by which your portfolio outperformed the composite performance of the blended indices).

*For example, a client with an investment account of \$400 million would retain 90% of all returns above the blended index returns (i.e. the “over-performance”) and we would receive a 10% share.*

*If the client’s portfolio generated a composite return of 12% during the measurement period, and the composite return of the blended indices for the same period was 10%, the excess return for that period would be 2%. In such event, we would receive a performance fee equal to 10% of the 2% “excess return” by which the client’s portfolio out-performed the blended benchmark indices.*

*Conversely, if (during a period of negative returns) the client’s composite return for the Measurement Period was –5%, and the composite return of the blended indices was –6%, the “excess return” would be 1% for the period. In such event, we would receive a Performance-Based Fee equal to 10% of the 1% “excess return” by which the client’s portfolio out-performed the blended benchmark indices.*

As with the Asset-Based Advisory Fee option, we reserve the right to decline to accept the use of the Performance-Based Fee pricing option by any client.

### Steps for Calculating Performance Fees

The calculation of your performance-based fee for any measurement period is a multi-step process, and is performed as follows:

#### **Step 1 - Calculating the Composite Portfolio Performance**

The rate of return<sup>15</sup> for each manager employed by the client is calculated. A portfolio weighted average of the time-weighted rate of return for each manager (which is the manager's proportional value, relative to the overall portfolio value) is calculated and then blended together to determine the aggregate rate of return of the composite portfolio.

#### **Step 2 – Calculating the Composite Index Performance**

The rate of return for each manager's corresponding (finalized) benchmark index is then calculated. A weighted average of the rates of return for each index, relative to the portfolio weight of the assets assigned to the corresponding managers, is calculated and thereafter blended together to determine the aggregate rate of return of the composite index.

#### **Step 3 – Calculating the Amount Owed**

The rate of return of the composite index is subtracted from the rate of return of the composite portfolio, which results in the excess return for your measurement period. If the excess return is zero or negative, no fee will be due for that measurement period. If the excess return is positive, it will be multiplied by the average capital base of the entire portfolio (for the client's measurement period) to determine the dollar amount by which the performance received by you exceeds the performance of the composite index. The amount owed is the dollar amount of excess return multiplied by the applicable participation ratio.

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<sup>15</sup>Time-weighted rate of return will be calculated using a Modified Bankers Administration Institute (BAI) Method with a 0% cash flow threshold. Monthly rate of return intervals will be calculated and geometrically linked to calculate the time-weighted rate of return for the period, and intervals will be shortened based upon the timing of the cash flow, if cash flows occur within each month. In situations where the money manager holds a significant number of investments that do not have readily available market values, we may rely on the money manager's valuation of these investments, or the money manager's own time-weighted rate of return calculation, if the manager indicates that their method for rate of return calculation is compliant with commonly accepted reporting standards.

### Selection of Indices

Once we have provided a final analysis, you must make the investment manager selections for the portfolio within thirty (30) calendar days, unless otherwise mutually agreed upon. Within that period, CSSCIAS, the Investment Advisory Professional and you will also agree upon the indices to be used to benchmark the performance of the managers selected, which will remain effective throughout the term of your first measurement period. If we, however, are unable to agree upon one or more suitable benchmark indexes for the measurement of performance of any one or more of the portfolio's managers, then an industry standard benchmark index (as established in institutional investment monitoring journals or publications) shall be selected representing the overall performance of the asset class within which the manager is selected to invest.

Any modifications to your indices must occur within the sixty (60) day "window" following the anniversary date of your investment advisory engagement, unless otherwise agreed upon by you, the Investment Advisory Professional and CSSCIAS. If no modifications are made, the same indices will be utilized for the subsequent measurement period, with the exception of any changes needed to reflect changes in either portfolio design or manager selections made during the course of the measurement period. In such event, if a change in the corresponding index is warranted (and there may not necessarily be the need for a change) then we will determine the appropriate index, which will serve as the finalized index for the remainder of your measurement period.

### Deduction of Investment Advisory Fee

The Performance-Based Advisory Fee for the Measurement Period shall be computed by us and communicated to you within 45 days following the end of the Measurement Period. If, within 10 days following your receipt of the fee calculation (the "review period"), you do not provide us with some evidence that the fee calculation is incorrect, the fee will be automatically deducted from a designated account on the first day following the end of such 10 day review period.

Prior to the deduction of the initial advisory fee, you will designate, either in writing or through your

Investment Advisory Professional, an "advisory fee deduction account," from which the advisory fee will be deducted. If, for any reason, you fail to designate an advisory fee deduction account prior to the time the first fee is due and payable, then we may designate an advisory fee deduction account at our sole discretion.

Thereafter, if you wish to change the advisory fee deduction account, your request must be made in writing at least 10 days prior to the end of your measurement period. We reserve the right, in our sole discretion, to approve or disapprove any such request.

In the event the advisory fee deduction account does not have sufficient cash position(s) to cover the performance-based fee, we will liquidate investment(s), at our sole discretion, in order to cover the advisory fee. We reserve the right to designate and/or change your advisory fee deduction account without advance notice or approval.

### Direct Billing of Investment Advisory Fee

Upon your written request, we may also approve direct billing of advisory fees. The invoice for such billing shall be due upon receipt and shall be payable no later than the day following the 10 days from the date of your receipt of the fee calculation (the "review period"), if evidence that the fee calculation is incorrect has not been provided. If, for any reason, the invoice is not paid within the allotted time, the advisory fee will be immediately due and payable and will be deducted from your account, and approval for direct billing may be revoked for future quarters.

### Changes to Advisory Fees

If you have been in the investment program for a full measurement period, with average capital base of the account(s) at the end of the measurement period lower than the \$10,000,000 minimum qualifying account size, you will be automatically charged the higher of the fees that would be due under the Asset-Based Advisory Fee Schedule at the end of the measurement period or a 25% participation ratio. In such event, you will, thereafter, automatically be converted to the Asset-Based Advisory Fee pricing

platform. The annual participation ratio may also be changed by us upon written notice to you. Any such change made during the course of your measurement period cannot be made effective until the first calendar day after the anniversary date of your measurement period. You must also receive no less than a thirty (30) day written notice before the changed participation ratio becomes effective. After that time, you may terminate the Advisory Services Agreement by providing us with written notice of termination. If no notice of termination is given during the thirty (30) day time period, the new participation ratio will become effective as of the effective date specified in the notice of the change (unless otherwise noted).

#### Conflicts of Interest

Performance-based fee arrangements may be perceived to create an incentive for us to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also be perceived to create an incentive to potentially favor higher fee paying accounts over other accounts in the allocation of investment opportunities.

Side-by-side management may also be perceived to create incentive to favor clients with performance-based fee arrangements, over asset-based fee arrangements, with additional portfolio attention in order to potentially obtain a higher portfolio return and therefore a higher advisory fee payment.

We have procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent such potential conflicts from influencing our manager selection and review process or the allocation of investment opportunities among our clients.

#### Term of Advisory Agreement

The Advisory Agreement will be effective for your first measurement period. Thereafter, the Advisory Agreement will be automatically renewed for additional one-year measurement periods unless, within the allotted sixty (60) day window immediately following the anniversary date for your measurement period, one of the parties gives written notice to the

other of its intention not to renew the Advisory Agreement.

#### **Effective Date of the Advisory Agreement**

Your initial Advisory Agreement must be received by us in the same quarter as the Effective Date of the Advisory Agreement. If you wish to submit an Advisory Agreement with a future Effective Date you may do so only to the extent that the future Effective Date of the Advisory Agreement does not exceed the last day of the then subsequent quarter.

Once your first measurement period has begun, no changes may be made to the Effective Date of the Advisory Agreement. Thereafter, a replacement Advisory Agreement may be submitted to include additional account(s), assuming qualification (and proper aggregation), as long as it occurs within the sixty (60) day window after the anniversary date of the commencement of your measurement period.

## Item 7 – Types of Clients

Our Professional Money Manager Evaluation Program is designed to serve a diverse range of clients with various goals and objectives. We provide investment advice to both individuals and businesses, with accounts of not less than \$50,000, as well as to banks, pension and profit sharing plans, trusts, estates, and non-profit organizations.

Typical clients may include (but are not limited to):

- Defined Benefit Pension Plans
- Endowments & Foundations
- Individual Investors
- Institutional Investors
- 401(k) Plans
- Corporations and Trusts

This service is intended to benefit clients ranging from public entity sponsored defined benefit pension plans that need to meet future benefit obligations to individual investors planning for their retirement to individual investors looking to prepare for retirement.

Our Performance-Based Fee option is available to only “qualified clients” with account values of \$10,000,000 or more and is designed for those who prefer to link the advisory fee to the overall performance of their investment accounts (see section 6 for more details on this fee option).

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

### Permitted Investments

#### Asset-Based Advisory Fee

Our advisory services primarily involve the use of mutual funds and private / separate account managers. However, upon approval by both you and CSSCIAS, individual securities (e.g. individual stocks, bonds, CD's, cash, etc.) or other types of investments (i.e. annuities), may be included in this investment program in order to fulfill specific portions of your stated investment preferences and/or intended asset allocation. The use of individual securities or other investments would be permitted in this investment program largely for the purpose of fulfilling your stated investment preferences and goals. However, such investments are not analyzed or comparatively evaluated in the same way as the mutual fund and private / separate money managers are comparatively evaluated within this Program. Investing in securities involves risk of loss that you should be prepared to bear.

#### Performance-Based Advisory Fee

Non-managed securities – those not purchased based on the recommendations of the Investment Advisory Professional or managed by a recommended Manager – cannot be included in this investment program.

### Types of Investments and Investment Strategies Used

CSSCIAS's Investment Advisory Professionals may offer advice on a wide range of investments and insurance products, including, but not limited to equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, United States Government securities, options, and interests in partnerships investing in real estate, oil and gas interests, and financial assets. This may also include advice regarding the use of various investment strategies, based on what appears to be most appropriate to meet your needs, investment preferences, and tolerance of risk, including, but not limited to, long and short-term purchases, trading, short sales, margin transactions, and option writing.

### Investment Analyses and Techniques

When providing investment advisory and financial planning services to you, we may use many different types and methods of securities analysis, including, but not limited to: charting, fundamental, technical, and cyclical analysis. When performing securities analyses, we may also use information derived from third-party sources including, but not limited to: financial publications, third party rating and analyses services, company press releases, prospectuses,



annual reports, and other public filings made with the United States Securities and Exchange Commission.

### **Item 9 – Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. CSSC IAS has not been involved in any legal or disciplinary events.

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

#### **Other Business Activities**

Our principal business is providing investment advisory services. However, our executive officers and investment advisory professionals may also perform duties that involve providing services other than, or in addition to, investment advisory services.

CSSCIAS is a wholly-owned subsidiary of Consulting Services Support Corporation. Investment Advisory Professionals of CSSCIAS are sometimes also Registered Representatives of CSSC Brokerage Services, Inc., a registered general securities broker/dealer, member FINRA & SIPC. CSSC Brokerage Services, Inc. is also a wholly-owned subsidiary of Consulting Services Support Corporation and is a sister company of CSSCIAS. Investment Advisory Professionals of CSSCIAS may also be licensed to assist clients in the evaluation and procurement of insurance products and may receive insurance compensation in the form of commissions or fees if the client utilizes such services. Insurance implementation may be provided by CSSC Insurance Services, Inc., a subsidiary of Consulting Services Support Corporation and a sister company of CSSCIAS.

### **Item 11 – Code of Ethics**

In accordance with SEC Rule 204A-1 under the Advisers Act, we have adopted a written Code of Ethics. Our firm's Code of Ethics requires adherence to rigorously high standards of business conduct and compliance with federal securities laws. This Code of Ethics is based on the principle that all Investment Advisory Professionals, and certain other persons, have a fiduciary duty to place the interests of clients

ahead of their own. This Code of Ethics applies to all of our Investment Advisory Professionals. Our Investment Advisory Professionals must avoid activities, interests, and relationships that might interfere with making decisions that are in the best interests of investment advisory clients. When potential conflicts of interest may exist, it is the responsibility of the Investment Advisory Professional to inform you that a potential conflict of interest exists. Unless otherwise consented to by you, Investment Advisory Professionals are prohibited from revealing information relating to the investment intentions, activities, or portfolios of investment advisory clients except to persons whose responsibilities require knowledge of such information.

A complete copy of our Code of Ethics is available upon written request. You may request a copy by directing your request to our Chief Compliance Officer, Emily Keagle, at 755 W. Big Beaver Rd. Suite 2000 Troy, MI 48084.

#### **Client Information**

The client information that may be communicated to the clearing house, any brokerage firm used (including CSSC Brokerage Services, Inc.), and/or any money manager employed is detailed in the data gathering and new account form (when utilizing mutual fund money managers) and in the investment policy statement (when utilizing private money managers). Some of the information contained in these documents may include name(s), birth dates, investment goals, investment time horizon, risk tolerance, and various companies or industries in which you may not wish to invest (i.e. tobacco companies), etc.

In the event your overall investment goals and/or risk tolerance change and result in a new Investment Policy Statement, we will provide to the private money manager an updated Investment Policy Statement. There is no set time period for when, or how often, this will occur. Decisions regarding whether or not to provide additional information to the private money manager will typically be made by you and your Investment Advisory Professional during the process of reviewing your quarterly review, or at such other times as contact is initiated by you in order to inform your Investment Advisory Professional that your



circumstances, investment goals, and/or risk tolerance have changed.

We have a Privacy Policy Statement to ensure the protection of client information (see Privacy Policy Statement below).

## **Privacy Policy**

Preserving our clients' trust, confidence, and privacy, is of paramount importance in the services that we perform. That is why we want you to know how we protect your privacy when we collect and use information about you, and the steps that we take to safeguard that information. This notice is provided to you on behalf of the Investment Advisory Professional as well as on behalf of the companies listed below that may aid in providing financial consulting services to you.

Consulting Services  
Support Corporation  
(CSSC)

CSSC Brokerage  
Services, Inc.

CSSC Insurance Services,  
Inc.

CSSC Investment  
Advisory Services, Inc.

### The Information We Collect

When we render the consulting services you have requested, we will collect such personal information about you that we determine to be necessary to perform the requested services. We may obtain this information from a wide variety of sources, including (without limitation) tax returns that you provide (or provided to us, with your consent, by your tax preparer), from CSSC, files, from your Investment Advisory Professional, or you may provide the information to us directly. This personal information will typically include (without limitation) information regarding your assets, liabilities, and net worth; your income; your age; the activities that you participate in; and certain medical information.

### What We Use This Information For

We use this personal information about you to design and implement the financial services solutions and other services that you engage us to perform. We may (although we are not obligated to do so) also use the information to diagnose your need for additional

financial services beyond the scope of the engagement for which such information was gathered.

### To Whom Do We Disclose This Information

We will provide this personal information about you to the consulting and financial services firms that help us provide you with the services and solutions that you have requested, including Consulting Services Support Corporation and its subsidiaries ("CSSC"). CSSC may provide the information to other financial services providers that may provide certain elements or portions of the financial services solutions that we develop for you, such as insurance companies and money management firms.

We do not sell the personal information of our clients to third party providers of goods and/or services.

We will not provide this information about you to third party sellers of goods and/or services except as needed to perform the financial services and implement the financial services solutions that you have asked us to perform for you.

### Our Security Policy

We maintain physical, electronic, and procedural security measures that comply with applicable state and federal regulations to safeguard the confidentiality of your personal information. Authorized access to your personal information is provided only to those who require it to design and implement the financial services solutions that you have asked us to perform, to service your account(s), or to those who otherwise may need it to review and/or supervise such work.

### Changes in Our Privacy Policy

If we make any substantive changes in the way we use or disclose your personal information, we will notify you.

## **Anti-Money Laundering**

We have designated Alysia Hubbard, as our AML (i.e., Anti-Money Laundering) Compliance Officer. We ensure that all clients' identities have been verified before investment advisory services are provided. We

will not provide investment advisory services to, or on behalf of, any person or entity whose name appears on the List of Specifically Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control, from any Foreign Shell Bank, or from any other prohibited persons or entities as may be mandated by applicable law or regulation.

### **Business Continuity Plan**

We have in place a continuity plan designed to enable us to quickly recover and resume business operations after a significant business disruption, as well as to facilitate the safeguarding of our employees and property, making financial and operational assessments, protecting the firm's books and records, and allowing our clients to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope, severity, and significance of the business disruption.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with clients, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our clients can obtain access to their funds and securities if we are unable to continue our business.

If you are utilizing the custodial services of Pershing LLC, they have informed us that they back up client records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by Pershing LLC that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments within four (4) hours. Your orders and requests for funds and securities could, however, be delayed during this period.

### **Item 12 – Brokerage**

When using the Asset-Based Fee pricing option for the Professional Money Manager Evaluation Program, the Investment Advisory Professional may suggest that you utilize the Investment Advisory

Professional's affiliated broker/dealer to implement investment plans. In such event, you may pay more or less for services rendered through CSSCIAS's affiliated broker/dealer than if you had purchased such services separately through a different broker/dealer.

Various programs offered by us have a "crediting" feature, whereby a substantial portion of commissions we receive are credited against the investment advisory fees incurred by you in the Professional Money Manager Evaluation Program.

In order for you to receive the benefit of such commission crediting, you will need to select the Investment Advisory Professional's affiliated broker/dealer (currently CSSC Brokerage Services, Inc.), as the broker/dealer through which your investment advisory accounts are established.

Investment Advisory Professionals of CSSCIAS are sometimes also Registered Representatives of CSSC Brokerage Services, Inc., a registered general securities broker/dealer, member FINRA & SIPC. Investment Advisory Professionals of CSSCIAS may also be licensed to provide you assistance in the evaluation and procurement of insurance products and may receive compensation in the form of commissions or fees if you utilize such services.

The value of products and research received from the broker/dealer by us is not a factor considered in selecting broker/dealers or clearing firms or in seeking best execution. Best execution is not necessarily measured by the circumstances surrounding a single transaction but may be sought over time across multiple transactions. Some factors to consider in an evaluation of whether "best execution" is being provided is whether the execution is prompt and reliable, at favorable security prices, with reasonable commission rates and/or other transaction costs, and a number of other factors may also enter into the evaluation.

CSSC Brokerage Services, Inc.'s fees are routinely evaluated and are believed to be commensurate with other full-service broker/dealers.

## Soft Dollar Policy

We, as a matter of policy and practice, do not have any formal or informal arrangements or commitments to utilize research, research-related products and any other services obtained from broker/dealers, or third parties, on a soft dollar commission basis. We specifically prohibit the acceptance of, or participation in, soft dollar arrangements in order to remain truly unbiased and objective.

## Item 13 – Review of Accounts

If you participate in the Professional Money Manager Evaluation Program you will receive quarterly reviews of your account holdings that include the change in value of the portfolio from the previous quarter.

All of our consultants are involved with assisting the Investment Advisory Professional, who is the final arbiter in making performance evaluations and in determining the investment advice ultimately delivered to you.

CSSCIAS, and its consulting staff, primarily work with and on behalf of the Investment Advisory Professionals affiliated with us. These Investment Advisory Professionals are predominantly attorneys and CPAs who seek our assistance in helping them to provide investment advisory services to their clients. Therefore, rarely, does our consulting staff work directly with and for clients receiving the investment advisory services of CSSCIAS. Consequently, a description of the number of “reviewers” and the number of accounts assigned to each is not applicable, since the final “reviewer” is typically the Investment Advisory Professional.

## Selection and Review of Professional Money Managers

The Investment Advisory Professionals will provide advice with respect to which professional money manager(s) would appear to be suitable to meet your investment needs, preferences, and risk tolerance, based upon a comparative analysis of a money manager's (or mutual fund's) stated style, investment philosophy, and historical record of performance. Performance of the professional money manager(s) will be reviewed on a quarterly basis, and will be compared to the performance of other professional

money managers having similar investment styles and philosophy.

If it is determined that a professional money manager is not meeting your expectations, nor is likely to meet these expectations within a time frame acceptable to you, alternative recommendations of other professional money managers will be made for your review and consideration. If you, with the assistance of the Investment Advisory Professional, determine that a change in professional money managers would be appropriate, the professional money manager will be replaced.

## Performance Analysis and Review

Third party data and software is used (predominantly from eVestment Alliance, Steele, Zephyr and Portfolio Center™), in conjunction with CSSCIAS's proprietary and patented software systems and analytical processes, to comparatively evaluate various money managers and their relative investment performance. Professional money manager performance statistics and other evaluation information obtained from third parties are not independently reviewed or verified for accuracy by us.

## Item 14 – Client Referrals and Other Compensation

### Participation of Interest in Client Transactions

From time to time, clients may purchase securities of the parent company (Consulting Services Support Corporation) or CSSCIAS, its wholly owned subsidiary. Any such purchases would be merely incidental to the core advisory programs of CSSCIAS. Nevertheless, since Consulting Services Support Corporation is the parent company of CSSCIAS, any such transactions could represent a potential conflict of interest.

## **Solicitors – Compensation**

We may compensate individuals with whom we have a solicitation agreement according to, and in compliance with Rule 206(4)-3 of the Investment Advisers Act of 1940.

meet our contractual and fiduciary commitments to you, and have not been the subject of a bankruptcy proceeding.

## **Item 15 – Custody**

The SEC deems that any advisers that have the ability to directly debit advisory fees do, in effect, have custody of client assets. We, therefore, are deemed to have custody of your assets solely because of our ability to debit your quarterly advisory fee from your accounts.

Other than this very limited exception, neither the Investment Advisory Professional nor do we accept or maintain custody of your funds or securities. The Professional Money Manager Evaluation Program does not include custody/trust services, which are separate from the investment advisory services provided by us.

## **Item 16 – Discretion**

If we accept discretionary authority over your accounts or investment decisions, a written advisory agreement would be required between you, the Investment Advisory Professional, and us. Any limitations a client would place on our authority would be required to be outlined.

## **Item 17 – Proxy Voting**

You retain the right to vote all proxies that are solicited for securities held in your account. The Investment Advisory Professional is expressly prohibited from voting proxies for securities held in your account and will not take any action or render advice with respect to the voting of proxies. You will receive proxies or other solicitations directly from the custodian or transfer agent.

## **Item 18 – Financial Information**

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to