

Lifetime Wealth Private Client Experience, Inc.

Doing Business As

Cedrus

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Form ADV Part 2A Brochure

Lifetime Wealth Private Client Experience, Inc., doing business as Cedrus is an investment advisor registered with the Securities and Exchange Commission ("SEC"). An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This Disclosure Brochure provides information about the qualifications and business practices of Cedrus. If you have any questions about the contents of this Disclosure Brochure, please contact us at (303) 273-0100. The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Cedrus is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this Disclosure Brochure.

We did not make any material changes to our Brochure in our 2011 annual updating amendment filing. We review our brochure at least annually to make sure that it remains current.

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Advisory Business - Item 4

Cedrus is a corporation organized under the laws of the State of Colorado and based in Golden. We are licensed with the SEC as an investment adviser, and have provided investment advisory services since 2003.

J. Scott Holdings Corp. is the sole owner of Cedrus. John Alexander Scott, III is the President and Chief Compliance Officer of Cedrus, and the Chief Executive Officer of J. Scott Holdings Corp.

Currently, we offer the following investment advisory services, personalized to each individual Client:

- **Wealth Management Services**
- **Portfolio Management Services**

The paragraphs below describe what we do and what we charge. Each investment advisory service is listed below and describes how we tailor our advisory services to your individual needs. Also, you may see the term "Associated Person" throughout this Disclosure Brochure. As used in this Disclosure Brochure, this term refers to anyone from our firm who is an officer, employee, and any individual providing investment advice on behalf of our firm. Such persons are properly registered as Investment Adviser Representatives ("IARs") in all required jurisdictions.

Wealth Management Services

Cedrus provides advice to Clients as part of an ongoing wealth management service. As part of this service, an IAR of Cedrus collects pertinent information about the Client's financial circumstances and objectives during several meetings with the Client. Once we review and analyze such information, we provide the Client with a written strategy in the form of an assessment or analysis based on the Client's specified needs, goals and objectives.

The strategy may address any or all of the following areas, depending on the Client's needs and objectives:

- Retirement Planning and Cash Flow Analysis – Cedrus analyzes the Client's current and future cash flow in order to determine whether lifetime capital needs will be met. Additionally, the firm reviews the beneficiary designations on Client qualified plans and individual retirement accounts, and formulates distribution plans from such accounts.
- Income and Estate Tax Minimization – Cedrus explores ways to reduce the Client's income tax liability, including alternative minimum tax planning, and devises strategies to minimize and possibly eliminate future estate tax liability.
- Estate Planning – Cedrus reviews the overall distribution plan contained in wills, trusts and related documents, assists the Client in designating executors and/or trustees, titling of assets, gifting strategies, charitable planning, and the use of various types of trusts to promote estate planning and wealth transfer objectives.
- Insurance Planning – Cedrus analyzes the cost effectiveness and adequacy of various types of

insurance coverage from a risk management standpoint, and explores ways that insurance can be tactically used as a tax efficient vehicle to transfer wealth as part of an estate plan.

- Stock Options/ Rule 144 Stock – Cedrus reviews the Client’s current positions and explores various strategies for the timing of exercising of both non-qualified and incentive stock options, taking into account funding and tax considerations, and strategies for restricted stock grants.
- Business Succession Planning – Cedrus formulates a plan to sell/transfer the Client’s business to family members, company insiders or a third-party purchaser, focusing on management transition, funding, and estate tax issues.
- Charitable Planning – Cedrus helps Clients optimize the tax benefits of charitable gifting during life and after death, utilizing charitable trusts, donor advised funds and private foundations.
- Asset Protection – Cedrus conducts risk assessment reviews of liquid and illiquid Client assets.

Our assessment or analysis may be provided in segments after one or more working sessions with the Client. Cedrus also meets periodically with the Client, upon request, or on an as needed basis, as determined by Cedrus, to discuss the Client’s strategy and implement it by providing one or more of the portfolio management services described below.

We base our written strategy upon the Client’s financial situation and the financial information the Client provides during our data gathering session(s). We advise Clients that certain assumptions are made with respect to interest and inflation rates, as well as past trends, historical market performance, and the economy. Past performance is in no way an indication of future results. Cedrus cannot offer any guarantees or promises that the Client’s financial goals and objectives will be fully met. A Client must promptly notify Cedrus as financial situation, goals, objectives, or needs change.

Portfolio Management Services

As part of its overall wealth management services, Cedrus provides continuous asset management and investment advisory services, typically on a non-discretionary basis. In limited cases, we may also provide discretionary investment management services.

Non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account. Discretionary asset management services means that once the portfolio has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. This authority is granted to us by you in a written agreement. This allows our firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is done using either the investment advisory agreement you sign with our firm, a limited power of attorney agreement, or trading authorization forms. You may limit this authority by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

Our investment advice is tailored to meet our Clients’ needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information,

determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

There are a few ways we might create your investment portfolio depending on what we decide would work best for you. We may customize a portfolio for you based the goals and risk we determined during the information gathering process. Or we might use model portfolios developed by third parties that fit your needs.

Delegation to sub-advisors: *For those of our clients who hire us for portfolio management services and who have signed an agreement with us to this effect, you should be aware that we may use one or more sub-advisors to manage a portion of your account. Currently, we utilize the Managed Accounts Program and the GoalLink Program developed by SEI Investments Management Corporation ("SIMC"). All sub-advisors that we recommend to clients must be registered as investment advisers with either the Securities and Exchange Commission or with the appropriate state authority(ies). We will continuously monitor the performance of any accounts managed by the sub-adviser and will assume discretionary authority to hire or fire the sub adviser where such action is deemed to be in the best interest of the Client. The sub-advisor(s) may use one or more of their own model portfolios to manage your account. You will be required to sign an individual agreement with the sub-advisor or a tri party agreement with the sub-advisor and Cedrus. Cedrus will not share in the fees charged by the sub-advisor.*

However we construct your investment portfolio, we will monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

We recommend that you review the statement(s) you receive from the qualified custodian for accuracy. If you see something that is incorrect, please call our main office number, located on the cover page of this brochure.

Cedrus primarily uses the following types of securities in its portfolio management programs: domestic and foreign equity securities; exchange traded funds; investment company products; corporate securities; municipal securities and U.S. government securities. Cedrus may also advise Clients on any other type of investment deemed appropriate based upon stated goals and objectives. Cedrus may also provide advice on any type of investment held in a Client's portfolio at the inception of the advisory relationship or on any investment for which the Client requests advice.

Assets Under Management

As of January 18, 2012, we manage \$53,129,168 in Client assets on a non-discretionary basis.

Fees and Compensation - Item 5

Cedrus charges a percentage of assets under management and a fixed fee for its advisory and consulting services.

Wealth Management Services Fees

Cedrus will charge a fee to produce a wealth management strategy. An estimate of the fee will be determined at the inception of the advisory relationship. The final fee is directly dependent upon the facts and circumstances of the Client's financial situation and the complexity of the required services. The exact fee and fee paying arrangements will be clearly disclosed in the agreement for services signed by the firm and the Client.

Cedrus annual Wealth Management fees are negotiable but typically start at \$15,000 and may increase based on complexities of the client family's affairs. Cedrus invoices the client directly for the fee on a quarterly basis.

If the client engages Cedrus for additional investment advisory services, Cedrus may offset all or a portion of its fees for those services based upon the amount paid for the consulting services.

The Agreement between Cedrus and the Client will continue in effect until either party terminates the Agreement in accordance with the terms of the Agreement. Cedrus' fee will be pro-rated through the date of termination, based upon the portion of work performed by Cedrus, and any remaining balance will be charged or refunded to the Client, as appropriate, in a timely manner.

Portfolio Management Services Fees

If you decide to engage Cedrus for portfolio management services, we will charge an annual fee based upon a percentage of the market value of the assets being managed. Our fee for portfolio/asset management services is set forth in the following fee schedule:

<u>Portfolio Value</u>	<u>Annual Fee</u>
First \$1,000,000	1.00%
\$1,000,001 - \$3,000,000	0.75%
Over \$3,000,000	0.50%

Cedrus allows related accounts to be combined for fee paying purposes. We combine the account valuations to assist you in meeting fee breakpoints and therefore lowering the overall fee level. Cedrus extends this option to all accounts residing in the same household and certain members of the same family.

Cedrus will deduct advisory fees directly from your account. Fees are billed quarterly, in arrears and are based on the value of your assets on the last day of the quarter. We usually deduct advisory fees from a designated account to facilitate billing. The Client must consent in advance to direct debiting of their account.

If you choose to have Cedrus' fee deducted directly from your account, you must provide authorization. The qualified custodian holding your funds and securities will send you an account statement at least quarterly. This statement will detail account activity. Please review each statement for accuracy. Cedrus will also receive a copy of your account statements from the custodian.

Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the Client. However, we will not receive any

portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

At the inception of investment management services, the first quarter's fees will be calculated on a pro-rata basis. The Advisory Agreement between Cedrus and the Client will continue in effect until either party terminates the Agreement in accordance with the terms of the Agreement. Cedrus' annual fee will be pro-rated through the date of termination and any remaining balance will be charged or refunded to the Client, as appropriate, in a timely manner.

Additional Fees and Expenses

The fees Cedrus charges may be negotiable based on the amount of assets under management, complexity of Client goals and objectives, and level of services rendered. Our fees are charged as described above, and are not based on a share of capital gains of the funds of an advisory Client. All fees paid to Cedrus for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge.

You could invest in a mutual fund directly, without our services. In that case, you would not receive the services provided by Cedrus which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition and objectives. Accordingly, you should review both the fees charged by the funds, and the fees charged by Cedrus, to fully evaluate the advisory services provided and the total amount of fees.

All conflicts of interest between you and our firm, and Associated Persons of our firm, are outlined in this Disclosure Brochure. If additional conflicts arise in the future, we will notify you in writing or supply you with an updated Disclosure Brochure.

Performance-Based Fees and Side-By-Side Management - Item 6

Performance based fees are based on a share of capital gains on or capital appreciation of the Client's assets. Cedrus and its Associated Persons do not accept performance based fees.

Types of Clients - Item 7

We offer investment advisory services to individuals, pension and profit sharing plan participants, trusts, estates, charitable organizations, corporations, and other business entities.

Cedrus requires a minimum family net worth of \$1,000,000 to open and maintain a client relationship. At our sole discretion we may waive this requirement. This requirement can be met by combining two or

more accounts owned by you or related family members.

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

The following are different methods of analysis that we may use when providing you with investment advice:

- Fundamental Analysis – attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.
- Technical Analysis – relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.

We may use one or more of the following investment strategies when advising you on investments:

- Long Term Purchases – securities held for over a year.
- Short Term Purchases – securities held for less than a year.
- Trading securities sold within 30 days.
- Margin Transactions – allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. Interest is charged on any borrowed funds for the period of time that the loan is outstanding.
- Short Sales – sale of a security that is not owned by the seller, but is promised to be delivered.
- Covered Options – an investor writes an option contract while owning an equivalent number of shares of the underlying stock.

The asset management service provided, together with the strategies suggested by Cedrus, will vary depending on each Client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationships into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed will be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

General Investment Risk: All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments for investment.

Loss of Value: There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax

laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

Interest Rate Risk: Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

Credit Risk: Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Foreign Exchange Risk: Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the U.S. dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

Sector Risk: Funds which concentrate their portfolio in a specific sector may carry a higher degree of risk due to lower diversification and sector-specific risks. Because these investments are limited to a relatively narrow segment of the economy, the funds' investments are not as diversified as most funds. This means that these funds tend to be more volatile than other funds and their portfolio values can increase or decrease more rapidly. The performance of each fund may differ in direction and degree from that of the overall stock market.

Small Capitalization: Funds which include smaller capitalization companies, may involve greater risk than funds investing in larger, more established companies. For example, small capitalization companies may have limited product lines, markets and financial or managerial resources. As a result, price movements in securities of smaller capitalization companies may be more volatile. Transaction costs in securities of smaller capitalization companies can be higher than those of larger capitalization companies and there may be less liquidity.

Disciplinary Information - Item 9

Registered investment advisers 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. There is no history of legal or disciplinary events by our firm, our principals or advisory representatives.

Other Financial Industry Activities or Affiliations - Item 10

Cedrus and its related persons do not have any relationship or arrangement that is material to our advisory business or to our Clients. Our relationships or arrangements with other financial entities are conducted solely on an unaffiliated, independent basis.

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

Description of Our Code of Ethics

Cedrus has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Cedrus' policies and procedures developed to protect Client's interests in relation to the following topics:

- The duty at all times to place the interests of Clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of Clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

You can request a copy of our Code of Ethics by calling us at (303) 273-0100 or mailing us a request at our principal office address.

Personal Trading Practices

At times Cedrus and/or its IARs may take positions in the same securities as Clients, which may pose a conflict of interest with Clients. Cedrus and its IARs will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to Client trades. We will not violate our fiduciary responsibilities to our Clients. Front running (trading shortly ahead of Clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the Client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

Brokerage Practices – Item 12

Suggestion of Broker

For the firm's portfolio management programs we recommend and request Clients to implement trades and maintain custody of assets through a discount broker. Currently, we recommend the services of E*TRADE Securities, LLC ("E*TRADE"). E*TRADE is an independent and unaffiliated broker dealer and a

member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). E*TRADE offers independent investment advisers services, which include custody of Client securities, trade execution, clearance and settlement of transactions, and daily research and investment information.

Clients invested in the Managed Accounts Program and the GoalLink Program developed by SEI Investments Management Corporation ("SIMC"), are required to custody accounts with SEI Trust Company.

Research and Other Soft Dollar Benefits

Although not considered "soft dollar" compensation, Cedrus may receive benefits from E*TRADE for various services that include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to the firm in the performance of its investment decision-making responsibilities. Such research products and services are provided to all investment advisers who utilize the custodian, and are not considered to be paid for with soft dollars. However, the commissions charged by a particular broker for a particular transaction, or set of transactions, may be greater than the amounts another broker who did not provide research services or products might charge.

When suggesting a broker dealer, Cedrus will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. Also, we may cause the account to pay a higher commission in recognition of the value of "research services," and additional brokerage products and services a broker-dealer has provided, or may be willing to provide.

Clients may utilize the broker-dealer of their choice and have no obligation to purchase or sell securities through such broker as Cedrus recommends. However, Cedrus reserves the right not to accept the Client's account if the custodian used is not E*TRADE.

Brokerage for Client Referrals

We do not receive Client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for Client referrals.

Directed Brokerage

The Client may direct brokerage to a specified broker-dealer other than the firm recommended by Cedrus. It is up to the Client to negotiate the commission rate, as Cedrus will not. The Client may not be able to negotiate the most competitive rate. As a result, the Client may pay more than the rate available through the broker-dealer used by Cedrus. In Client directed brokerage arrangements, the Client may

not be able to participate in aggregated ("blocked") trades, which may help reduce the cost of execution. Where the Client does not otherwise designate a broker-dealer, Cedrus recommends E*TRADE, a broker-dealer with competitive commission rates.

Trade Aggregation

Cedrus does not block trade. Accordingly, we advise Clients that they may pay a different price for their securities than other clients. Additionally, depending on the quantity of securities purchased, some Clients may pay different commissions and transaction fees than others.

Review of Accounts - Item 13

Asset Management Account Reviews

Cedrus monitors the individual investments within Cedrus' portfolio management program each day the market is open. Portfolio performance is reviewed on a continuous basis. Cedrus offers asset management Clients an in-person portfolio review meeting on an annual basis or upon Client request.

Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the Client's financial situation or investment objectives, or at the request of the Client. John A. Scott, President and CEO, or Brandon Ideker, CFO and Family Wealth Manager, will be responsible for overseeing all reviews.

Clients will receive statements, at least quarterly, directly from their account custodian(s).

Client Referrals and Other Compensation - Item 14

Apart from the research and other benefits received from E*TRADE, as disclosed in the Research and Other Soft Dollar Benefits section of Item 12 above, we do not receive economic benefits from third parties in exchange for providing investment advice or other advisory services to our Clients. Cedrus and its Associated Persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for Client referrals.

Custody - Item 15

Cedrus is deemed to have custody of Client funds solely because of the fee deduction authority granted by the Client in the portfolio management agreement.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Clients are urged to compare custodial account statements against reports prepared by Cedrus for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest

and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

Investment Discretion - Item 16

Typically, Cedrus manages client accounts on a non-discretionary basis. In a non-discretionary account, an Associated Person of Cedrus recommends the purchase or sale of securities for review and approval by the Client. Cedrus will only purchase or sell securities which have been approved by Clients in advance.

In limited cases, Clients grant Cedrus discretion over the selection and amount of securities to be bought or sold for their account without obtaining their prior consent or approval. However, Clients can place specific investment objectives, guidelines, and/or conditions the firm's investment authority. For example, a Client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry. Clients may amend these limitations as required. Such amendments must be submitted in writing.

Please refer to the "Advisory Business" section, Item 4 above in this Disclosure Brochure for more information on our discretionary management services.

Voting Client Securities - Item 17

Proxy Voting

Cedrus will not vote proxies on behalf of Client accounts. Although, at the Client's request, Cedrus may offer Clients advice regarding corporate actions and the exercise of proxy voting rights and/or materials.

Questions about proxies may be made via the contact information on the cover page.

Financial Information - Item 18

Cedrus does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. Additionally, Cedrus does not have discretionary authority or custody of Client funds or securities. Therefore, Cedrus is not required to present a balance sheet.

Cedrus does not have reportable financial disclosures – i.e., disclosures in which Cedrus' financial condition would impair Cedrus' ability to meet contractual commitments to Clients.

Requirements of State-Registered Advisers - Item 19

This section is intentionally left blank since our firm is SEC registered.

Miscellaneous

Class Action Lawsuits

From time to time, securities held in the accounts of Clients will be the subject of class action lawsuits. Cedrus has no obligation to determine if securities held by the Client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a Client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the firm has no obligation or responsibility to initiate litigation to recover damages on behalf of Clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by Clients.

Where the firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a Client, it will forward all notices, proof of claim forms, and other materials, to the Client. Electronic mail is acceptable where appropriate, and the Client has authorized contact in this manner.

Trade Error Correction Procedures

On infrequent occasions, an error may be made in a Client account. For example, a security may be erroneously purchased for the account instead of sold. In these situations, the firm generally seeks to rectify the error by placing the Client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including among others canceling the trade or adjusting an allocation. Any gains or losses resulting from error correction will be placed in Cedrus' error correction account.

Privacy Policies

Cedrus views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

Cedrus does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a Client account, Cedrus may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers. In most cases we will have the other advisor sign a non-disclosure agreement on the clients behalf.

Cedrus restricts internal access to nonpublic personal information about its Clients to those employees who need to know that information in order to provide products or services to the Client. Cedrus maintains physical and procedural safeguards that comply with state and federal standards to guard a

Client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the Client, or as required by law.

A copy of the firm's privacy policy notice will be provided to each Client prior to, or contemporaneously with, the execution of the Advisory Agreement. Thereafter, the firm will deliver a copy of the current privacy policy notice to its Clients on an annual basis. If you have any questions on this policy, please contact John A. Scott, President and CEO, at (303) 273-0100.