

# Creekside Partners Financial Advisers LLC.

A California Limited Liability Company

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This brochure provides information about the qualifications and business practices of Creekside Partners. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Creekside Partners is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor. Additional information about Creekside Partners is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 2: Material Changes

*Material Changes since the Publication of Creekside Partners' Prior Annual Update:*

The material changes to this brochure since the annual update in March 2013 include the following:

- a) A change in Creekside's corporate form and legal name. The firm was previously known as Creekside Partners, Inc.; it is now Creekside Partners Financial Advisers LLC. We continue to use the *dba* Creekside Partners.

There has been no change to control or ownership of the company

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## ITEM 4: ADVISORY BUSINESS

Creekside Partners (referred to as “we,” “our,” “us,” or “Creekside”), has been registered as an investment advisor since April 2003. Our Principal Owners are Richard Ashburn Jr. and Andrew Hempeck.

Services we offer:

We provide investment management and financial advisory services to our clients. We offer two levels of portfolio management services, which services we refer to as “Creekside Portfolios” and “Creekside Family Office”. These service offerings are described in more detail below. Additionally, we offer specialty municipal bond management to clients via co-advisement arrangements with other investment advisers.

Investment management is provided primarily on a discretionary basis. Investment management services can include:

- The development of a roadmap or benchmark based on each client’s unique circumstances, including the client’s financial status, investment objectives, and degree of risk tolerance.
- The design of an appropriate asset allocation across available asset classes and markets based on the client’s goals.
- The selection of individual investments within each asset class. Such investments may include stocks and corporate bonds, treasury and municipal bonds, exchange traded funds, and mutual funds. Certain other investment vehicles may be considered based on the unique circumstances of each client.
- The ongoing monitoring and maintenance of the investment plan. Such maintenance includes periodic portfolio adjustments to reflect changes in client circumstances, market conditions and relative investment opportunities.
- The periodic reporting of the portfolio and investment results.

### **Creekside Portfolios Service**

“**Creekside Portfolios**” clients will have portfolios that follow our tactical models as revised from time to time. These model portfolios are built using mutual funds and ETFs, with an emphasis on index funds and other low-cost vehicles in most major asset classes. The Creekside Portfolios service does not entail ladder bonds or management of legacy positions. These portfolios are suited for a wide range of investors, and are not expected to perform materially different than Creekside Family Office portfolios.

### **Creekside Family Office Service**

“**Creekside Family Office**” portfolios will also follow our core tactical investment process, and will include most of the same index and low-cost funds as core holdings. Family Office clients will also be provided with ladder municipal bonds, where appropriate, and detailed management of existing and legacy investments. Family Office client portfolios can also entail other customized and labor-intensive

investment strategies, as determined by a client's specific circumstances. These can include ongoing management of employer stock and option positions.

There is no specific dollar cutoff between the Creekside Portfolios and the Creekside Family Office service levels. However, larger accounts (\$1 million and up) will more likely be best served by our Family Office services offering.

### **Financial Advisory Services**

We provide financial advisory services in support of the core investment management program. Our financial advisory services are provided to clients who are receiving either Creekside Portfolios or Creekside Family Office services. We do not provide stand-alone financial advisory services and do not provide financial advisory services to clients receiving management services via a co-advisement arrangement.

Creekside Portfolios clients are typically provided with a more limited scope of financial advisory services. However, it is our practice to provide the level of attention and detail a client requests without additional charges. If a client's financial advisory needs are more extensive and ongoing than first anticipated, we might suggest that they move to our Creekside Family Office service offering.

Typical scope of financial advisory service for Creekside Portfolios clients:

- Retirement sufficiency analysis. Review of expected spending and income sources in retirement and analysis of the potential for the portfolio to provide sufficient income.
- Tax reporting and advice. At tax season, we prepare gain, loss and income reports to assist with tax preparation.
- Other savings goal analysis, such as college savings.
- General advice about home financing, retirement plan contributions and other routine questions.

Typical scope of advisory services for Creekside Family Office clients:

All of the above services, plus:

Collaboration with Client's Tax, Legal, Private Banking and Insurance Advisers

- Provide recommendations to trusted advisers as requested
- Coordinate flow of relevant information
- Integrate other advisers into investment planning as requested

Evaluation and advice regarding trusts and estate matters

Evaluation of Concentrated Stock Positions & Options

- Monitor existing positions
- Develop diversification strategies

- Develop exit strategies

#### Investment Account Consolidation and Set-Up

- Establish accounts
- Seamless transition from existing accounts
- Follow-up with custodians
- Reporting on investment accounts managed by other firms

Family Office clients may request that certain securities or investments not be purchased in their accounts. In addition, clients may have certain favored or legacy portfolio holdings that they would like to retain even if those positions would not otherwise be held in Creekside portfolios.

We do not provide portfolio management services to any wrap fee programs.

#### **Co-Advisement Services**

We provide municipal bond portfolio management services to clients of other investment advisors. These municipal bond portfolios are comprised of laddered holdings of tax-free bonds and are managed with safety of principal as the primary goal, and high total returns to maturity as the secondary goal. Creekside analyzes bonds for purchase using a combination of its own credit research and publicly available sources such as bond rating agencies. Bonds are purchased from several broker-dealers and are delivered for settlement to Schwab or Fidelity, as directed by each client.

For the co-advisement services, Creekside will provide continuous investment management to a client's Designated Co-Advised Assets in light of the particular investment objective, requirements and other information set forth in the client's account paperwork furnished to Creekside by Co-Adviser. Creekside will have discretionary trading authority and will be responsible for placing orders to execute transactions for the client's Designated Co-Advised Assets. Creekside will be responsible for verifying that best execution obligations are being satisfied. At the request of Co-Adviser, Creekside will be reasonably available for a joint consultation with Co-Adviser and a client regarding administration of the Designated Co-Advised Assets. Creekside will not communicate directly with a client with Designated Co-Advised Assets without Co-Adviser's authorization or presence.

The other investment advisor, the "Co-Adviser", will be responsible for presenting Creekside as a candidate for the provision of investment management services to clients or prospective clients of Co-Adviser. Co-Adviser will have sole responsibility for determining and documenting the client's financial circumstances, investment objective, risk tolerance, preferences and reasonable restrictions; for updating such information at least annually; and for promptly notifying Creekside in writing when Co-Adviser is informed of any instructions, restrictions, or changes to the financial situation of any client with Designated Co-Advised Assets. Co-Adviser will be responsible for all communications with clients regarding clients' Designated Co-Advised Assets. Co-Adviser will be responsible for delivering Creekside's Form ADV disclosure documents to the client and for ensuring all necessary account paperwork is completed by the client, including any new account application, client agreement, and

other documents. Co-Adviser will not have any authority to place orders or execute transactions for the client's Designated Co-Advised Assets.

## Assets under management

As of February 28, 2014, we manage assets of \$138,000,000 on a discretionary basis and \$19,000,000 on a non-discretionary basis. "Discretionary" means that we are authorized by the client to place buy and sell orders in their accounts at our own discretion, without asking for specific approval for each trade. "Non-discretionary" means that we provide our clients with advice and recommendations about investment holdings, but they will make any final decisions and either execute trades themselves or ask us to make the trades in their behalf.

## ITEM 5: FEES AND COMPENSATION

### Fee Schedules

Fees for Creekside Family Office investment supervisory services are billed at the start of each quarter, calculated on the value of assets under management as of the last day of the prior quarter. Fees are based on the following schedule:

Account Value		Annual Fee
On the first	\$2,500,000	1.00%
On the next	\$2,500,000	0.80%
On amounts	>\$5,000,000	0.50%

Creekside Portfolios clients are billed at the same schedule as above, less a 10% discount.

For assets receiving co-advisement services, the advisory fees charged to a client for the services of Creekside Partners and for the services of Co-Adviser are based upon a percentage of the value of the client's Designated Co-Advised Assets. Each of Creekside Partners and Co-Adviser will be responsible for calculating their respective investment advisory fee and instructing the qualified custodian to deduct and pay the fee in accordance with the executed client agreement. The qualified custodian will then pay the applicable proportion of the investment advisory fee to Creekside Partners and to Co-Adviser. Each Creekside Partners and Co-Adviser will be responsible for verifying and auditing whether its advisory fee was properly calculated and was deducted by the qualified custodian from the client's account. The investment advisory fees will be billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of the client's account as of the last business day of the previous billing period. In computing the value of the Designated Co-Advised Assets, Creekside Partners and Co-Adviser may rely upon the valuation data provided by the qualified custodian. Fees are prorated based on the number of days service is provided during each billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed.

Creekside's annual advisory fee for investment management services provided to Designated Co-Advised Assets is charged according to the following schedule:

<u>Value of Designated Co-Advised Assets</u>	<u>Rate of Creekside Partners' Annual Fee</u>
Up to \$2,500,000	0.30%
\$2,500,001 to \$5,000,000	0.25%
Greater than \$5,000,000	0.20%

The total annual advisory fee charged to a client on the client's Designated Co-Advised Assets is comprised of 2 component fees, including the Creekside Partners Annual Advisory Fee and the Co-Adviser's Annual Advisory Fee.

Following each quarter, the advance quarterly fee charged for the prior quarter will be reconciled to a client's account for amounts deposited to and withdrawn from the client's account during the quarter. In the event that a deposit occurs during the quarter, the fee for that quarter will be recalculated at the end of the billing period and Creekside Partners will bill the client a second fee pro-rata, in arrears, on the additional deposits. In the event that a withdrawal occurs during the quarter, the fee for that quarter will be recalculated at the end of the billing period and the client will be credited or refunded the pro-rated fee that was attributable to the amount of the withdrawal.

In limited instances, Creekside may consider negotiating fees depending upon the circumstances involved. For example, if a client's assets are particularly large, or if a client seeks limited services, and if Creekside believes that it would be profitable to do so, the firm may be willing to negotiate fees or fee structure. In any event, Creekside would evaluate fees and fee structure relative to the nature of the client and the intensity of the services expected to be provided.

We generally require that clients provide authorization for us to deduct our fees directly from an investment account. Important information about the deduction of management fees:

- You must provide authorization for us to pull fees by initialing the appropriate section of our contract.
- You will receive a statement from the custodian each quarter which lists our fees and the amount requested as payment for investment advisory services from the custodian.
- You will receive a statement from your custodian which shows your holdings.
- You are responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.

In limited circumstances we may agree to allow clients to pay by check rather than deducting payment directly from the client account.

Clients may terminate our advisory relationship at any time by providing written notice. We will prorate the advisory fees received through the termination date and refund any fees due, pro-rata through the end of the applicable quarter. We may terminate our relationship with a client by providing written notice to the client.



## Other Costs Involved

In addition to our advisory fee shown above, you are responsible for paying fees associated with investing for your account. These fees include:

- Management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- Brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by your custodian and/or executing broker. For example, a purchase of 1,000 shares of an S&P500 ETF would incur a brokerage charge ranging from \$8.95 to \$19.95, depending on the size of the client's accounts and other features.

Additional information about brokerage costs and services is provided in "Item 12: Brokerage Practices."

We believe the fees mentioned above are competitive; however you may be able to obtain similar services from other sources at a lower price. Creekside receives no monetary compensation from any mutual fund, brokerage, bank or other investment entity. Our sole source of revenue is the fees we charge our clients.

### ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not receive performance fees for managing accounts.

### ITEM 7: TYPES OF CLIENTS

Creekside's clients include primarily individuals, families, and their related trusts. We also advise a limited number of nonprofit corporations (*i.e.*, foundations) and/or other business entities, and company retirement plans. These other entities are generally connected with a family to which we also provide service. Generally we require that clients maintain at least \$1,000,000 under management with us. However, we may choose to waive that minimum at our discretion.

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

Creekside's investment approach is primarily value-driven, with a secondary emphasis on economic cycle analysis. We attempt to move money into assets that we perceive as cheap (relative to fair value), and move money away from assets that we perceive as expensive. In any event, ours is a low-turnover strategy since the fundamental characteristics of asset class valuation do not change quickly.

**Overview of the Process.** Our investment process consists of five distinct steps:

- 1) Asset class valuation analysis.

For example, if we believe that a fair price for the S&P500 index of stocks is 1400, and it is trading for 1800, we are highly likely to own less than the normal target amount of stocks. A client with a long-term goal of having 60% of their portfolio in stocks might instead only have 40% in stocks under those conditions.

Similarly with bonds – We might believe that the fair return on a 10-year bond needs to be at least 4% (so that after-tax returns at least equal our inflation expectation). If 10-year bonds are only yielding 3% at a given time, we are highly likely to own less of those bonds than our long-term plan might state.

2) Economic trend analysis

Economic conditions might provide support for a given asset class; they might also present a headwind. For example, rising corporate earnings can provide support for stock prices, even if valuations are slightly high. Since economic trend analysis inherently involves forecasting, we use it sparingly and cautiously. Economic trends are a secondary input to our decision-making. Valuation analysis is, at all times, the most important consideration.

3) Portfolio design

Once we have decided upon the proportions of money to invest in the major asset classes – our *Tactical Portfolio* decision – we make lower-level decisions within the main asset classes. For example: taxable bonds or tax-free bonds? Growth stocks or dividend stocks? Domestic or foreign assets? These decisions are important, but do not affect the longer-term outcome as much as the higher-level asset class weightings.

4) Investment vehicle and manager selection.

Once the main and secondary asset class weights have been chosen, we decide which investment instrument to use. For all asset classes besides municipal bonds, we use mutual funds or exchange-traded funds for virtually all positions. We have a strong bias toward index instruments since actively-managed funds have not proved to consistently outperform indexes. In the current environment, investors are well-served by keeping total expenses low.

We will select individual municipal bonds (in Family Office portfolios) since we have a specialty expertise in municipal bond credit analysis. We strongly favor municipal bonds secured by utility revenues or voter-authorized property taxes.

5) Portfolio management

After a portfolio has been fully constructed, we continue to monitor all holdings. If and when we make a decision to alter the weightings of asset classes, we will look at each portfolio individually to decide how to implement the change. Among other factors, we consider the tax consequences of selling a position and buying a different one. In general, our investment approach results in a relatively low level of portfolio turnover.

Stocks and equity investments (including real estate and natural resources) involve significant risk of capital loss in the event of company-specific, sector-specific, geography-specific or general stock market declines. Equity investments can be highly volatile.

Bonds and interest-bearing investments also carry risk of capital loss. These investments involve both interest rate risk (the risk that general interest rates rise, which can cause the value of existing fixed income securities to decline) and default risk (the risk that a security issuer defaults, which causes the

value of the affected securities to decline). Accordingly, fixed income investments can lose value and be volatile.

The risks inherent in stocks, bonds, real estate and other assets classes exist whether the assets are purchased directly (*i.e.*, shares of a company) or via a mutual fund.

Creekside bases its tactical asset allocation decisions on valuation analysis and asset class, market and sector analysis. There is no guarantee that Creekside's analysis will be correct or that tactical asset allocation decisions will lead to improved performance. There is a risk that tactical asset allocation decisions may lead to underperformance and/or investment losses.

All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situations at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

#### ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

#### ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As a registered investment advisor, we are required to disclose when Creekside or our principals has any other financial industry affiliations. Neither Creekside nor our principals have affiliations of this type to report.

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

##### Code of Ethics

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by Creekside and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours, or
- using non-public information gathered when providing services to you for our own gains, or engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

## Participation or Interest in Client Transactions

Neither Creekside nor its principals participate in client transactions. That is, we do not recommend to clients, nor buy or sell for client accounts, securities in which we have a financial interest.

## Personal Trading for Associated Persons

We may buy or sell some of the same securities for you that we already hold in our personal accounts. We may also buy or sell for our personal accounts some of the same securities that you already hold in your account. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by transactions that we initiate for our clients.

Trades for our accounts (and those of our associated persons) will be placed after client trades have been completed. When our trades are placed after our client trades, we may receive a better or worse price than that received by the client. Creekside and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.

## ITEM 12: BROKERAGE PRACTICES

### Selection/Recommendation of Brokers

In selecting or recommending brokers to execute portfolio transactions, we make a good faith judgment about which broker would be appropriate. We take into consideration not only the available prices and rates of brokerage commissions, but also other relevant factors that may include (without limitation):

- The execution capabilities of the broker/dealer;
- Research (which may include economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis);
- Custodial and other services provided by the broker/dealer that are expected to enhance our general portfolio management capabilities;
- The size of the transaction;
- The difficulty of execution;
- The operational facilities of the broker-dealers involved;
- The risk in positioning a block of securities; and
- The quality of the overall brokerage and research services provided by the broker/dealer.

Creekside has an arrangement with Charles Schwab & Co. and Fidelity Brokerage Services LLC through which Schwab and Fidelity provide Creekside with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. The Schwab and Fidelity institutional platform services that assist Creekside in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as

trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting. Creekside currently purchases an annual software license for use of a portfolio management system developed and sold by a wholly-owned subsidiary of Charles Schwab.

Charles Schwab and Fidelity also offer other services intended to help Creekside manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom Creekside may contract directly. Both Schwab and Fidelity offer these benefits to Creekside predicated upon us have at least \$10 million of client assets held in accounts at each firm.

These and other benefits from Schwab and Fidelity raise potential conflicts of interest between Creekside and its clients. For example, we have an incentive to recommend that you open an account at Schwab or Fidelity, rather than at another brokerage firm. We believe, however, that our selection of Schwab and Fidelity as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of their services (based on the factors discussed above – see “Selection/Recommendation of Brokers”) and not services that benefit only us. We have over \$135 million in client assets under management, and do not believe that maintaining at least \$10 million of those assets at Schwab and Fidelity in order to avoid paying quarterly service fees presents a material conflict of interest.

Schwab and Fidelity generally do not charge their advisory clients (such as Creekside) separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or Fidelity or that settle into Schwab or Fidelity accounts (*e.g.*, transactions fees are charged for certain no-load mutual funds; commissions are charged for individual equity and bond transactions). Schwab and Fidelity provide access to many no-load mutual funds without transaction charges and other no-load funds at inexpensive transaction charges.

When we select the broker/dealer for a transaction, we may cause you to pay a higher commission for effecting a transaction than another broker/dealer would have charged for effecting that transaction. We do this if we determine in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided by the broker/dealer. The determination is viewed in terms of either the particular transaction or our overall responsibilities to you.

## Aggregation of Orders

Creekside may aggregate client orders for purchase or sale transactions. This most commonly occurs when we buy municipal bonds for clients. We might execute an order for a large block of bonds, and

then allocate them to client accounts. Such allocations will result in each client paying the same market price for the bond. When a particular purchase or sale of a specific security or fund applies to multiple clients, Creekside usually seeks to execute the transactions at, or about, the same time for all applicable clients. In general, investment vehicles purchased for clients consist of a combination of index funds, exchange traded funds, actively managed mutual funds, and other pooled investment vehicles. For these pooled investment vehicles, there is no transaction cost advantage to aggregating orders.

## ITEM 13: REVIEW OF ACCOUNTS.

### Account Reviews and Reviewers

Mr. Ashburn and Mr. Hempeck review accounts on at least a quarterly basis to determine whether portfolio investments and corresponding asset allocation percentages are consistent with the goals and objectives outlined during the information gathering phase of the new client process. They conduct portfolio reviews in the context of prevailing economic, market and general conditions at the time of review. Any major variances from the portfolio's goals or policies will trigger a more extensive review of the portfolio and could lead to portfolio changes.

In addition to the regularly scheduled reviews outlined above, accounts are reviewed periodically based on: (1) a change in client circumstances (e.g., inheritance, career change, marriage/divorce, home purchase, etc.), (2) a major shift in securities markets, or (3) significant tax law or regulatory changes. Creekside depends on clients to notify the firm in the event of changes in the client's circumstances.

### Statements and Reports

Clients will receive transaction confirmation notices and regular quarterly account statements directly from the qualified custodian. Additionally, Creekside may provide clients with quarterly position or performance reports.

Clients are encouraged to always compare any reports or statements provided by Creekside against the account statements delivered from the qualified custodian. If you have questions about your account statement, you should contact Creekside and/or the qualified custodian preparing the statement.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Creekside has entered into agreements with other investment advisers that will act as co-advisers with respect to client assets that receive investment management services from Creekside. The co-advisers will refer clients to Creekside. Currently, the co-advisement arrangements are for co-advisers to introduce clients for Creekside's provision of specialty municipal bond management services. If a referred client enters into an investment advisory agreement with Creekside, the client will pay a separate advisory fee to each Creekside and to the co-adviser pursuant to the terms in the client's executed agreement with Creekside and with the co-adviser. Creekside does not pay a cash referral fee to the co-adviser. The clients referred to Creekside by a co-adviser will not incur charges in addition to the normal level of advisory fees charged by Creekside.

When a client is referred to us by a co-adviser, the co-adviser provides the client with a copy of our Disclosure Brochure as required by the *Investment Advisers Act of 1940*. The client also will complete a Co-Adviser Disclosure Statement document. The client will also receive a copy of the co-adviser's Form ADV Part 2 Disclosure Brochure.

Creekside does not compensate any person for client referrals. The co-advisement arrangements that involve the referral of clients to Creekside are in compliance with state and federal securities rules regarding solicitor arrangements.

Creekside does receive economic benefits from Charles Schwab and Fidelity in the form of products and services they make available to us and other similarly licensed investment advisors. These products and services mainly serve to support and ease our investment management function. The benefits of those products and services, and the potential conflicts of interest arising therefrom, are described above in Item 12 – Brokerage Practices.

## ITEM 15: CUSTODY

If you give us authority to deduct our fees directly from your separately managed account, we could be deemed to have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in "Item 5: Fees and Compensation." You will also receive quarterly statements directly from custodian of the account that details all transactions in the account. We encourage you to review the custodian statements carefully, and to compare them against the quarterly portfolio reports you receive from Creekside.

## ITEM 16: INVESTMENT DISCRETION

The vast majority of our clients provide discretionary authority for us to manage their assets. Discretionary authority means that you are giving us a *limited power of attorney* to place trades in your behalf. This limited power of attorney does not allow us to withdraw money from your account, other than advisory fees.

You grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker-dealer acting as custodian for your account(s).

## ITEM 17: VOTING CLIENT SECURITIES

We do not accept the authority to vote proxies on your behalf and we do not provide guidance about how to vote proxies. You will receive proxies and other related paperwork directly from your custodian. We are available to answer your questions about these proxy materials, but will generally refrain from making a voting recommendation to you.

## ITEM 18: FINANCIAL INFORMATION

We are required, under certain circumstances, to provide you with financial information or disclosures about our financial condition. None of the conditions below, which would require additional disclosure, apply to Creekside.

- If we required or solicited prepayment of more than \$1,200 in fees per client, *and* six months or more in advance;
- If we have discretionary authority over client funds or securities, *and* there existed a financial condition that threatened to impair our ability to meet our contractual obligations to clients; or
- If we had been the subject of a bankruptcy petition at any time during the past ten years.



# Brochure Supplement (Form ADV Part 2B)

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## **Education and Business Standards**

Creekside Partners requires advisors who provide advice to clients to have a Bachelor's degree. In addition, advisors must have 10 years of financial industry experience or have one of the following professional designations: Certified Financial Planner (CFP), Chartered Financial Analyst (CFA), or Certified Public Accountant (CPA).

## **Professional Certifications**

The certifications and credentials held by our professional staff, including requirements for obtaining those credentials, are listed below:

### ***Certified Financial Planner (CFP)***

Certified Financial Planner practitioners are licensed by the CFP Board to use the CFP mark.

CFP certification requirements include:

- Bachelor's degree from an accredited college or university;
- Completion of the financial planning education requirements set by the CFP Board;
- Successful completion of the 10-hour CFP® Certification Exam;
- Three-years qualifying full-time work experience; and
- Successfully pass the Candidate Fitness Standards and a background investigation.

### ***Chartered Financial Analyst (CFA)***

Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark.

CFA certification requirements include:

- Bachelor's degree from an accredited institution or equivalent education or work experience;
- Successful completion of all three exam levels of the CFA Program;
- Forty-eight months of acceptable professional work experience in the investment decision making process;
- Fulfill CFA Society requirements, which vary by CFA Society. Unless upgrading from affiliate membership, all CFA Societies require two sponsor statements as part of each application; and
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

**Richard Ashburn Jr., CFA**

Rick serves as Creekside's Chief Investment Officer (CIO) and provides broad oversight and the leadership to achieve the firm's mission and vision. As a senior-level advisor, Rick works with business owners, executives and professionals developing financial plans and investment strategies.

**Born:** 1960

**Educational Background:**

University of Maryland; BA with High Honors in Economics; 1984

**Professional Designation**

Rick was awarded the CFA designation in 1998.

**Business Experience:**

Creekside Partners CIO/Shareholder and Wealth Manager: 2003 to Present. His investment career began by specializing in municipal bonds at First Interstate Bank in Los Angeles in 1985. He served as Chief Investment Officer of a private investment firm in San Diego, and as a Managing Director at MBIA, Inc., an S&P 500 company specializing in financial guarantees and investment management. He founded Creekside in 2003.

**Other Business Activities:** None

**Additional Compensation:** None

**Supervision:** Andrew Hempeck oversees compliance-related activities and reviews Rick's advisory work through frequent office interactions.

**Arbitration Claims:** None

**Self-Regulatory Organization or Administrative Proceeding:** None

**Bankruptcy Petition:** None

**Andrew Hempeck, CFP**

Andy serves as Creekside's Director of Portfolio Management and supervises the firm's client portfolios on a day to day basis. As a senior-level advisor, Andy works with business owners, executives and professionals developing financial plans and investment strategies.

**Born:** 1968

**Educational Background:**

Oregon State University, BS in Business Administration 1990

**Professional Designations:**

Andy holds the CFP designation.

**Business Experience:**

Creekside Partners Shareholder and Wealth Manager; 2007 to Present. Fisher Investments, Vice President 1999-2007

**Other Business Activities:** None

**Additional Compensation:** None

**Supervision:** Richard Ashburn oversees compliance-related activities and reviews Andy's advisory work through frequent office interactions.

**Arbitration Claims:** None

**Self-Regulatory Organization or Administrative Proceeding:** None

**Bankruptcy Petition:** None