

**ADV Part II  
Schedule H  
SEC File # 801-69488  
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**CROSSWIND MANAGED ASSETS  
&  
CROSSWIND SEPERATLY MANAGED ACCOUNTS**

**Sponsored by:  
CROSSWIND ADVISORY LLC (“CROSSWIND”)  
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**This brochure provides clients with information about CROSSWIND and the CROSSWIND MANAGED ASSETS PROGRAM (“CMA”) and the SEPERATLY MANAGED ACCOUNTS PROGRAM (“SMA”) that should be considered before becoming a client of CMA. This information has not been approved or verified by any governmental authority.**

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This brochure describes in detail the managed asset programs offered by Crosswind Advisory LLC (“Crosswind”) known as Crosswind Separately Managed Accounts Program (the “SMA Program”) and the Crosswind Managed Assets (“CMA Program”). The two programs are comprehensive account management programs that include various combinations of investment services that are provided either by Crosswind or by other financial institutions that may or may not be affiliated with Crosswind.

## **SERVICES**

### ***Investment Advisory Services***

#### **SMA Program**

The SMA Program provides clients with investment management consulting services in connection with the use of sub-advisory firms for the selection and purchase of securities for client portfolios. Crosswind serves as the SMA Program’s sponsor as well as SMA Program’s investment adviser. Crosswind collects the necessary financial and personal data, including investment goals, from the client, to assist the client in determining the suitability of the account. The information provided by the client will include a description of the investment objectives and guidelines for the account, including any investment restrictions posed by the client (collectively “Investment Policy Statement”).

Crosswind has is granted full discretion in managing SMA Program client portfolios. Crosswind’s recommendation that a sub-advisor manage a client’s account will be based on the sub-adviser’s investment philosophy and policies, its record as an investment adviser, and Crosswind’s determination that the investment style of the sub-adviser is consistent with client’s Investment Policy Statement. Crosswind does not provide the sub-advisers with client Investment Policy Statements. To ensure that sub-advisers are still appropriate for a client, Crosswind performs reviews of the sub-adviser’s portfolios and financial standing and Crosswind also updates client’s Investment Policy Statement as necessary. Crosswind may remove and replace sub-advisers in SMA Program accounts at its discretion when it believes a sub-adviser is no longer consistent with the client’s Investment Policy Statement or where, in the estimation of Crosswind, the sub-adviser’s portfolio is underperforming relative to its asset class or is poorly positioned relative to current market conditions.

#### **CMA Program**

CMA Program provides clients with investment management consulting services in connection with the development of an investment policy statement, selection and allocation of assets and quarterly monitoring of performance. Crosswind manages CMA Program client accounts on a discretionary basis. The investment advice is based on the client’s individual needs, investment objectives, risk tolerances, and personal or business situation. Portfolios may include mutual fund shares (no-load, load waived or load funds) variable annuities (no-load or load annuities), Exchange Traded Funds

(ETF's), and individual stocks and bonds. Portfolio positions are selected based on key portfolio indicators of investment style, correlation, risk and reward that are developed based on the client's goals, objectives, strategies and restrictions (collectively, the "Investment Policy Statement"), published manager information, market and economic environment research. When portfolios are reviewed, dynamic asset allocation is used to adjust the portfolios so that the various styles are closely aligned with current market conditions while maintaining compliance with the client's Investment Policy Statement.

Crosswind serves as the CMA Program's sponsor as well as CMA Program's investment adviser that provides portfolio management services. On an ongoing basis, Crosswind review the client's Investment Policy Statement for accuracy and will update the Investment Policy Statement as necessary.

An affiliated entity of Crosswind Advisory LLC, Crosswind Strategies, provides objective and independent advice to medium sized businesses in all facets of business planning and the development of programs and key relationships designed to enhance the value of the business. Mentoring services to the business' CEO are also provided. Further, Crosswind Strategies collaborates with other professionals to develop client solutions in areas of asset protection, estate planning, income tax planning, real estate planning, retirement planning, and life, disability and health insurance.

While Crosswind Strategies will assess the client's general financial position and desired financial goals, the Investment Policy Statement is developed by Crosswind Advisory as part of its investment advisory services. The business consulting may be the only service provided to the client and does not require that the client participate in the SMA Program or the CMA Program or purchase the insurance products or estate, income tax, real estate or retirement planning services provided by personnel of the affiliated entity who may also be associated personnel of Crosswind. Any recommendation to use professional investment management services by the affiliated entity is an inherent conflict of interest with Crosswind because Crosswind Strategies would receive its fee plus a commission from Crosswind for referring the client to Crosswind and has an incentive to recommend Crosswind over other advisors or services. However, the client is under no obligation to accept any of the recommendations of the affiliated entity or use the services of Crosswind in particular.

### ***BROKERAGE SERVICES***

The brokerage and clearing of trading activity for the SMA Program and the CMA Program is accomplished primarily through United Planners Financial Services ("UPFS") who is an introducing broker dealer on a fully disclosed basis with Pershing LLC for the SMA and CMA Programs. The fees for brokerage services are included in the management fees of either program. Crosswind may utilize other broker dealers at its discretion in order to seek better execution or products not offered by Pershing that Crosswind deems beneficial to client portfolios.

### ***CUSTODIAL SERVICES***

This service is provided or arranged by a bank, trust company, securities brokerage firm or other financial institution designated by the client who is unaffiliated with Crosswind. Clients of either the SMA Program or the CMA Program shall be required to have selected Pershing LLC (“Pershing”) as custodian for their account. Pershing charges fees for its service based on asset level or on a flat fee schedule. Each client enters into a custody agreement directly with the Pershing who maintains independent custodial accounts in the name of client. Pershing maintains their own account records and provides statements to clients at least quarterly. Crosswind does not have custody of these accounts.

### ***PERFORMANCE ANALYSIS AND REPORTING SERVICES***

This service is performed by Pershing or an outside third party as contracted by Crosswind. The fees for performance analysis and reporting services are included in the SMA Program and the CMA Program fee paid by client unless otherwise stated in the Investment Management Agreement. Performance information shall be reviewed for accuracy by the Managing Member of Crosswind.

## **FEES**

Pershing acts as general custodian and administrator of the Account, which shall include the charging and collection of fees and the processing, pursuant to Adviser’s instructions, of deposits to and withdrawals from the Account.

The management fee is payable quarterly in advance, as specifically described in the client advisory agreement. The SMA Program fee and the CMA Program fee are comprised of Crosswind’s management fee which includes services provided or arranged by Crosswind including compensation to the portfolio manager, brokerage services and reporting costs. The management fees will be reflected in the client agreement and will vary depending on the account size and if sub-advisers are employed. The SMA Program fee shall also include the custodial fees. However, the custodial fees are not included in the CMA Program fee.

### ***PORTFOLIO FEES***

#### **SMA Program**

The client will pay an annualized advisory fee quarterly in advance. The initial fee will be based on client’s initial investment in the account. Thereafter, the quarterly fee will be paid, in advance, on the first day of each calendar quarter based on the value of the assets held in the account on the last day of the preceding calendar quarter. The fee assessment

will be based on the aggregate of the account value, plus all assets under management with Crosswind for the client's household as valued in good faith by the Crosswind. To the extent that an account is opened at any time other than the first day of a calendar quarter, a pro rata fee will be assessed for the remainder of the initial quarter. If assets are added to the account during a quarter, a pro rata fee will be assessed for the remainder of such quarter on such additional assets. If assets are withdrawn prior to the end of a quarter from the account, a pro rata credit will be given to the account for the remainder of such quarter on the withdrawn assets. The fees are negotiable at the discretion of Crosswind, but the basic fee schedule for the SMA Program is as follows:

<u>Assets Under Management</u>		
From	To	Annual Fee
\$0	\$1 million	2.25%
\$1 million	\$2 million	2.00%
\$2 million	\$4 million	1.80%
\$4 million	\$8 million	1.70%
Greater than \$8 million		negotiable

SMA Program management fees include transaction costs, the cost of setting up and administering a custodial account at a qualified custodian and account reporting costs.

### **CMA Program**

The CMA Program client will pay an annualized advisory fee quarterly in advance. The initial fee will be based on client's initial investment in the account. Thereafter, the quarterly fee will be paid, in advance, on the first day of each calendar quarter based on the value of the assets held in the account on the last day of the preceding calendar quarter. The fee assessment will be based on the aggregate of the account value, plus all assets under management with Crosswind for the client's household as valued in good faith by Crosswind. To the extent that an account is opened at any time other than the first day of a calendar quarter, a pro rata fee will be assessed for the remainder of the initial quarter. If assets are added to the account during a quarter, a pro rata fee will be assessed for the remainder of such quarter on such additional assets. If assets are withdrawn prior to the end of a quarter from the account, a pro rata credit will be given to the account for the remainder of such quarter on the withdrawn assets. The fees are negotiable at the discretion of Crosswind, but the basic fee schedule for the CMA Program is as follows:

## Assets Under Management

<u>From</u>	<u>To</u>	<u>Annual Fee</u>
\$0	\$1 million	1.50%
\$1 million	\$2 million	1.25%
\$2 million	\$4 million	1.10%
\$4 million	\$8 million	1.00%
Greater than \$8 million		negotiable

CMA Program management fees include transaction costs and account reporting costs. The CMA Program fee does not include the setup or administration of custodial accounts.

### ***OTHER FEES***

Crosswind or the sub-advisors selected by Crosswind may include mutual funds, variable annuity products, ETFs, and other managed products or partnerships in clients' portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to Crosswind. The fees and expenses charged by the product providers are separate and distinct from the management fee charged by Crosswind. These fees and expenses are described in each mutual fund's or underlying annuity fund's prospectus or in the offering memorandums of a partnership. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity or investment partnership directly, without the services of Crosswind. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by Crosswind to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

If it is determined that a client portfolio shall contain corporate debt or other types of over the counter securities, the client may pay a mark-up or mark-down or a "spread" to the broker or dealer on the other side of the transaction that is built into the purchase price of the security.

In some cases there may be fees charged which are a result of brokered trading activity by associated personnel of Crosswind that is outside of the constructs of the SMA Program or the CMA Program and are thus not included in the management fee. These trades are generally at the request of the client the fees may vary in size depending on the nature of the client's requests.

The affiliated entity of Crosswind, Crosswind Strategies, charges fees either by the hour or according to a fixed fee for business and financial consulting, mentoring services and the preparation of business and/or financial reports. In addition, the affiliated entity of



Crosswind may receive incentive compensation based on either a percentage of profitability of the business or on a percentage of the valuation of the business once realized. None of the fees charged by Crosswind Strategies are included in either program's management fee.

### ***REFUNDS***

Termination of accounts requires a 30 day written notice. Any fees collected and unearned after the 30 day period will be refunded to client on a pro rata basis as provided for in the advisory agreement between client and Crosswind.

### ***BILLING CYCLE***

Once the client's accounts are opened, the client will be billed the program fee for their respective program for the remaining portion of the quarter in which those events occurred and further billed on a quarterly (calendar) basis as set forth in the client advisory agreement. The client will then receive a billing statement showing the management fee calculated based on the ending market value of the securities comprising the managed assets for the prior quarter. The fee calculation is done by Crosswind as set forth in the client advisory agreement. Unless the client and Crosswind have made other arrangements, the custodian, upon receipt of a copy of the billing statement, will debit the program fee from the client's account based on the client's consent in the advisory agreement.

### ***GENERAL DISCLOSURES***

The program fees (for either program) plus applicable provider fees may be more or less than the cost of purchasing the same services separately or from a different source. The factors to be considered by clients in determining the reasonableness of the fees charged include but may not be limited to the following:

- The fee charged for the development of the Investment Policy Statement and development of a plan for asset allocation
- The cost associated with gathering information on individual portfolio managers and/or portfolio securities ("Due Diligence") and the costs associated with the ongoing monitoring of their business and performance, as well as the preparation of any reports on the portfolio managers ("Manager Profiles") and/or portfolio securities.
- Transaction costs and/or other miscellaneous fees and taxes and/or charges as well as commissions or markups and markdowns or "spreads" on the purchase and/or sale of securities.
- The cost of producing a quarterly performance report covering the managed assets, the portfolios and the cost of obtaining tax lot statements with accruals, and both realized and unrealized gains and losses.
- The value of the consulting service provided by Crosswind in designing and then monitoring the client's managed assets and helping the client periodically determine the mix of accounts for the managed assets as well as the suitability

of the portfolio securities and any third-party advisers.

- The cost of investment advice provided by Crosswind through the SMA Program and CMA Program.

The Investment Policy Statement identifies the client's investment goals, objectives and restrictions built from his/her time horizon, attitude toward risk, required rate of return, and liquidity requirements. The Investment Policy Statement establishes the client's personal investment parameters up front to determine the direction his/her investments should ideally take. The Investment Policy Statement is a product of an investment questionnaire and an investment profile conversation between the client and the Crosswind advisor. The Investment Policy Statement establishes a clear understanding of the client's objectives, goals, tolerance for risk, and guidelines for the desired portfolio. It also provides a means of monitoring the portfolio and is the benchmark to ensure that the portfolio is following the course the client selected.

The associated person of Crosswind recommending the SMA Program or the CMA Program to the client receives compensation as a result of the client's participation in their respective program. The amount of this compensation may be more than what the associated person of Crosswind would receive if the client paid separately for investment advice, brokerage, and other services, and the associated person of Crosswind may therefore have a financial incentive to recommend the SMA Program or the CMA Program over other programs and services.

Clients may contact the investment adviser, Crosswind Advisory LLC, at any time with questions about their accounts or portfolio of securities therein.

## **TYPES OF CLIENTS**

Crosswind offers their programs to medium sized businesses and primarily to the individuals who are either officers, owners, employees or retirees of those businesses. However, most individual or business entities may be accepted as a client provided they meet the minimum investment requirements and the investment strategy of the SMA Program or the CMA Program meets their needs. The individuals who open SMA Program or CMA Program accounts may have accounts in trusts, part of a pension or profit sharing plan for the business or may have a corporate or business account participate in either program.

## **ACCOUNT MINIMUM**

In order to open a SMA Program or a CMA Program account a client account must have a minimum investment of \$1,000,000. Crosswind may accept smaller accounts at its

discretion.

## **IMPORTANT DISCLOSURES**

### ***OTHER BUSINESS ACTIVITIES***

The principal executive officer's primary business through an affiliated entity, Crosswind Strategies, is providing business consulting and personal financial planning for the business owner and his/her family. The consulting service is oriented to setting and achieving business valuation goals by developing the required business plans and programs and consulting with the owner on the establishment of the necessary relationships with key service providers (i.e. marketing, management recruiting, outsourcing, investment banking etc.). Collaborations are formed with other professionals to develop client solutions in areas of asset protection, estate planning, income tax planning, real estate planning, retirement planning, and life, disability and health insurance. Fees are based on hourly charges or fixed fees and customarily include incentive compensation based on either profits or business valuation. While a consultation or financial plan may recommend the use of professional investment management services, clients of Crosswind Strategies are not required to use the services of Crosswind or participate in the SMA or CMA Programs.

### ***OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS***

The Managing Member and other associated personnel of Crosswind are Registered Representatives ("RRs") of United Planners, a registered broker dealer. No trading of Crosswind is done through United Planners. However, clients of Crosswind may use the RRs to conduct directed trading activity for which the RRs receive compensation according to the commission schedules of United Planners. When effecting brokerage transactions, RRs are not permitted to exercise full discretionary authority on behalf of brokerage clients. Clients of Crosswind are not required to use the brokerage services offered by the RRs associated with Crosswind. Crosswind does not make any representation that the brokerage services are at the lowest cost available and clients may be able to obtain those services and/or products at a more favorable rate from other brokerages.

Principals and associated personnel of Crosswind hold insurance and/or real estate licenses. For either sales of insurance products or real estate, associated persons receive compensation based on the premium of the policy or the amount of the real estate transaction. Clients of Crosswind are not required to use the insurance or real estate services of the associated persons. Crosswind does not make any representation that the insurance or real estate services are at the lowest cost available and clients may be able to obtain those services and/or products at more favorable terms or rate from other providers.

### ***CODE OF ETHICS***

Crosswind has adopted a Code of Ethics which establishes standards of conduct for Crosswind's supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to Crosswind's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to Crosswind's Compliance Officer. Each supervised person of Crosswind receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of Crosswind's Code of Ethics by contacting the Compliance Officer of Crosswind.

Under Crosswind's Code of Ethics, Crosswind and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of Crosswind's managers, members, officers and employees on the same day purchase or sell the same security, either the clients and Crosswind's managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. Crosswind and its managers, members, officers and employees may also buy or sell specific securities for their own accounts based on personal investment considerations, which Crosswind does not deem appropriate to buy or sell for clients.

### ***PRIVACY POLICY***

Below is a summary of the of the Registrant's Privacy Policy regarding client personal information. A complete version of the Privacy Policy is contained in your client advisory agreement and may be obtained by contacting the Compliance Officer of the Registrant.

Crosswind Advisory LLC:

- (a) Collects non-public personal information about its clients from the following sources:
  - Information received from clients on applications or other forms;
  - Information about clients' transactions with the Registrant, its affiliates and others;
  - Information received from our correspondent clearing broker with respect to client accounts;

- Medical information submitted as part of an insurance application for a traditional life or variable life policy; and
  - Information received from service bureaus or other third parties.
- (b) Does not disclose information about its clients or former clients except information may be disclosed under the following circumstances:
- To your advisory associate;
  - To establish or maintain an account with an unaffiliated third party;
  - As required by law or regulation; or
  - To our parent company and affiliated subsidiaries as permitted by law.
- (c) Restricts access to confidential client information to individuals who are authorized to have access to confidential client information and need to know that information to provide services to clients.
- (d) Maintains physical, electronic and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.

#### ***PROXY POLICY***

Crosswind has the authority over the selection and amount of securities to be bought or sold without obtaining specific client consent. However, Crosswind does not vote proxies on behalf of its clients.

#### ***BROKERAGE SELECTION AND ADDITIONAL COMPENSATION***

Crosswind has the authority over the selection of the broker to be used. The commission rates charged to Crosswind for trading activity on behalf of the SMA Program or the CMA Program do not impact clients as the fee for both programs includes trading costs with the exception of potential mark-ups or mark-downs in a security transaction. Clients may not direct Crosswind to use a particular broker or dealer for either program.

Crosswind may from time to time may effect transactions through broker/dealers other than the Executing Broker-Dealer when Crosswind reasonably believes that such other broker/dealer may effect transactions at a price including dealer mark-ups or markdowns that is more favorable to the client than would be the case if transacted through the SMA Program or CMA Program. In the selection of such broker/dealer, Crosswind may consider all relevant facts, including, among other things, the value of research provided, execution capability, speed, efficiency, confidentiality, familiarity with potential purchasers or sellers, financial responsibility, responsiveness, or any other relevant matters. Crosswind may select broker/dealers that provide research or other transaction-related services and may cause the client to pay such broker/dealer's compensation for

affecting transactions in excess of compensation that other broker/dealers may have charged. Such research and other services may be used for other of Crosswind's accounts to the extent permitted by law.

In selecting brokers or dealers to execute transactions, Crosswind will seek to achieve the best execution possible but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available cost. SMA or CMA Program accounts may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in compensation to the broker dealer. Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; statistical and pricing services, as well as discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. It is the policy and practice of Crosswind to strive for the best price and execution for costs and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. Nevertheless, it is understood that Crosswind may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge so long as its is in compliance with Section 28(e) and the regulations promulgated thereunder, and Crosswind makes no warranty or representation regarding compensation paid on transactions hereunder. In negotiating mark-ups or mark-downs, Crosswind will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided.

Crosswind has no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

The Registrant makes cash payments to the introducing broker-dealer, investment advisory firm or qualified solicitor for client referrals provided that each such solicitor will provide all prospective clients with a copy of the Registrant's Form ADV Part II and a separate written disclosure document which fully informs the client regarding the nature of the relationship between the solicitor and the Registrant and any fees to be paid thereunder. With this option, the Registrant has full discretionary authority over the account and directs the selection of an independent custodian and the placement of all brokerage transactions. In exchange for each referral, the Registrant passes through to the solicitor up to 20% of the management fee received by the Registrant payable until the account is closed by written authorization from the client. Such fees are negotiable at the discretion of the Registrant and paid on a quarterly basis after collection from the Registrant. Collection times can vary anywhere from 1-3 months after quarter end. The Registrant will only recognize this option when the client has submitted to the Registrant a signed copy of the solicitor's separate written disclosure.

## **EXECUTIVE OFFICERS AND ADVISERS:**

### ***Randolph G. Richmond, Born 1938***

#### ***Education***

Bachelor of Science Electrical Engineering, University of Colorado  
Masters of Business Administration, Arizona State University  
Certified Financial Planner (CFP®)

#### ***Business Background***

Mr. Richmond has 12 years experience in the financial services industry. For three years he has been the Owner and Principal of Crosswind Strategies, a business management and personal financial consulting firm. Mr. Richmond has also been a registered principal of United Planners since 2005. Prior to Crosswind, Mr. Richmond has been an Associate Vice President with Merrill Lynch and Vice President-Investments with Wachovia Securities covering a period of nine years. Prior to that, he has served as a senior executive at IBM's Data Processing Division and at Pfizer, where he was Vice President and General Manager of the Medical Instruments division. After Pfizer, he was the CEO of several computer software companies. Mr. Richmond currently holds the Series 7, 24, 63, 65 and Life Insurance licenses.

### ***Ryan S. Ponsford, Born 1975***

#### ***Education***

Bachelor of Arts Industrial-Organizational Psychology, Point Loma Nazarene University

#### ***Business Background***

Mr. Ponsford has 14 years in the financial services industry. For three years he has been Vice President of Crosswind Strategies, a business management and personal financial consulting firm. Mr. Ponsford has also been a registered representative of United Planners since 2006. He was previously a Financial Advisor with the Bank of America and with the bank's Private Banking Group specializing in estate planning, taxation, jumbo mortgages and aircraft and fine art lending for over for eleven years. Mr. Ponsford currently holds the Series 7, 66 and Life Insurance licenses. He is also licensed Real Estate Broker.

## ***Jason Barney, Born 1970***

### ***Education***

Bachelor of Science Business Administration, San Diego State University  
Chartered Financial Consultant (ChFC), The American College

### ***Business Background***

Mr. Barney has 10 years experience in the financial services industry. In 2008 he joined Crosswind Strategies as Vice President. Prior to joining Crosswind, Mr. Barney was an Investment Advisor with Hornor, Townsend & Kent specializing in wealth management and financial planning for professionals and business owners. Additionally, he is President of JLB Financial, Inc., an insurance brokerage company serving the advanced planning needs of independent advisors and agents. Prior to that, he served as Regional Manager for Penn Mutual Life Insurance Company, responsible for recruitment, training, and advance planning case development for independent financial planners. Mr. Barney currently holds the Series 6, 7, 63, and 65, as well as Life and Property & Casualty Insurance licenses.

## **REVIEW OF ACCOUNTS:**

Security positions for CMA Program client accounts are monitored on a continuous basis by a portfolio manager or Managing Member of Crosswind. The nature and frequency of account reviews depends on the type of investment account being managed depending upon the needs of the client and the investment objectives and policies of the account. Significant market movements or significant issuer specific events of CMA Program portfolio securities may also trigger a review of the accounts. Accounts are reviewed by a portfolio manager or Managing Member of Crosswind. Reviews are conducted to ensure that the accounts are being managed in accordance with stated investment objectives and policies, and in order to facilitate and implement those objectives and policies. Accounts are reviewed in light of emerging trends and developments as well as market volatility. In addition, a change in the client's investment objective or financial situation may trigger a review.

SMA Program client accounts are also monitored by the Managing Member of Crosswind. The Managing Member reviews monthly and quarterly performance reports and statements of positions as provided by the sub-advisors and the client custodian to ensure that the account is being managed according to the Investment Policy Statement. The Managing Member also reviews annual financial audits of the sub-advisors funds as applicable.

Clients will receive (or will have on file with the custodian) confirmations of each trade



in their account and monthly statements on the account from the custodian of each account for CMA Program accounts. In addition, clients will receive a monthly statement from Crosswind showing account holdings and performance. The performance statement will have positions and balance reconciled versus the custodian's statement. Detailed reports, which may include realized gains/losses, interest and dividends earned are reported to clients no less than annually.

SMA Program accounts shall receive quarterly account statements from the custodian. Performance reporting may not be available from all sub-advisers selected. However, Crosswind shall provide at a minimum an annual report on the SMA Program accounts based on the annual reports provided by sub-advisors.

## **CONFLICTS OF INTEREST**

Crosswind has identified the following conflicts of interest clients or potential clients should be aware of:

- Associated persons of Crosswind recommending the SMA Program or the CMA Program to the client may receive compensation as a result of the client's participation in the program. The amount of this compensation may be more than what the associated person of Crosswind would receive if the client paid separately for investment advice, brokerage, and other services. The associated person of Crosswind may therefore have a financial incentive to recommend the SMA Program or the CMA program over other programs and services.
- The Managing Member's primary business through an affiliated entity, Crosswind Strategies, is providing business consulting and personal financial planning for the business owner and his/her family for which the Managing Member earns a substantial percentage of his annual income and shall divert the Managing Member from spending full time managing Crosswind Advisory LLC.
- The associated persons of Crosswind may sell other products and services such as insurance and real estate services through an affiliated entity, Crosswind Strategies, and receive compensation for those products and services. Crosswind makes no representation that these products are offered at the lowest cost or under the most favorable terms. Clients participating in the SMA Program or the CMA Program are not required to purchase these products or to purchase them from an associated person of Crosswind if they do purchase these products.
- Associated personnel of Crosswind are also registered representatives of a registered broker dealer for which they receive commissions on securities transactions in addition to their compensation with Crosswind. Therefore, they have an incentive to recommend securities transactions outside of those needed for the SMA Program or the CMA Program. Crosswind makes no representation that these products are offered at the lowest cost or under the most favorable terms. Clients participating in SMA Program or the CMA program are not required to purchase these products or to purchase them from an associated person of Crosswind if they do purchase these products.