

## **Firm Brochure:**

### **Part 2A of Form ADV**

#### **Corporate Financial Solutions, Inc.**

4365 Crescent Road  
Irondale, AL 35210

Telephone: 205-581-0165  
Email: [info@corporatefinancialsolutions.org](mailto:info@corporatefinancialsolutions.org)

**May 31, 2011**

This brochure provides information about the qualifications and business practices of Corporate Financial Solutions, Inc. If you have any questions about the contents of this brochure, please contact us at 205-581-0165 or email to: [info@corporatefinancialsolutions.org](mailto:info@corporatefinancialsolutions.org). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Corporate Financial Solutions, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Corporate Financial Solutions, Inc.'s CRD number is 155572.

## **Item 2    Material Changes**

This is an update to the initial Firm Brochure, dated March 31, 2011, for Corporate Financial Solutions, Inc.'s ("CFS" or the "Adviser"); following is a summary of new and/or updated information since our last delivery or posting of this document on the SEC's public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To comply with SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. If you would like another copy of this Brochure, you may download it from the SEC website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)), or you may contact our Chief Compliance Officer (Benjamin Hayley) by telephone (205-581-0165) or email ([info@corporatefinancialsolutions.org](mailto:info@corporatefinancialsolutions.org)).

### **Summary of New and/or Updated Information since March 31, 2011:**

- Cover Page: Change of email address contact
- Advisory Business (Item 4): Additional Investment Advisory Client; new type of Investment Adviser Client (CFS has become the Adviser to a mutual fund: the Corporate America CU Short Duration Fund); updated Asset Management Services description; updated Consulting Services description; updated \$ Amount of Assets Managed and number of clients; added Advisory Agreement information; updated Conflicts of Interest.
- Fees and Compensation (Item 5): Amended
- Types of Clients (Item 7): New type of Investment Adviser Client: CFS has become the Adviser to a mutual fund: the Corporate America CU Short Duration Fund
- Methods of Analysis, Investment Strategies and Risk of Loss (Item 8): updated with regard to types of information used (e.g., Bloomberg), and tailored strategies per Client
- Other Financial Industry Activities and Affiliations (Item 10): updated to reflect an affiliation with a mutual fund which is caused by CFS being the Portfolio Manager of the Corporate America CU Short Duration Fund
- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading (Item 11) updated to clarify.
- Custody (Item 15), updated to clarify
- Business Continuity Plan; Information Security; Privacy Notice (Item 19), added

### **Item 3     Table of Contents**

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## **Item 4    Advisory Business**

### **Description of the Firm**

Corporate Financial Solutions, Inc. ("CFS" or the "Adviser") is a SEC-registered investment adviser with its principal place of business located in Irondale, Alabama (a suburb of Birmingham). Registration with the SEC does not imply a certain level of skill or training. The Adviser began conducting business as an investment adviser in 2011.

### **Owner of the Firm**

The Adviser is a wholly owned Credit Union Service Organization ("CUSO") subsidiary of Corporate America Credit Union. Corporate America Credit Union is a corporate credit union and not-for-profit entity that is chartered in the State of Alabama and structured as a mutual organization that is owned by its members. Corporate America Credit Union is regulated by the Alabama Credit Union Administration and is insured by the National Credit Union Administration ("NCUA"). As a corporate credit union, Corporate America Credit Union does not maintain accounts with "natural persons." Rather, Corporate America Credit Union provides wholesale financial services and operates for the purpose of meeting its members' liquidity and investment needs and for providing financial and other services through its CUSO subsidiaries, such as the Adviser.

### **Types of Advisory Services**

The Adviser does not provide investment advisory services to "natural persons." As of May 31, 2011, the Adviser provides investment advice to two institutional clients: Corporate America Credit Union, and the Corporate America CU Short Duration Fund (a mutual fund that limits investments to credit union permissible products). The Adviser provides advice on investments that are permissible for credit unions (as specified for federally chartered credit unions in the Federal Credit Union Act and in Part 703 of the NCUA Rules and Regulations, and as specified for state chartered credit unions by their individual credit union acts; collectively "the Regulations," and collectively "Credit Union Permissible Investments"). The Adviser has a thorough understanding of the types of investments which are permissible for federal credit unions.

The Adviser offers the following advisory services:

#### **I. Asset Management Services / Investment Supervisory Services**

The Adviser provides continuous advice and investment supervision to a client regarding the investment of client funds in Credit Union Permissible Investments, based on the individual needs of the client through a separately managed account (a "SMA"), which is administered through the client's custodian.

**a. Tailored Investment Advice:** Investment advice is tailored to meet the specific investment objectives and goals of each client, based upon the client's Investment Policy, and stated goals and investment restrictions.

**b. Client's Investment Objectives; Investment Policy Review; Investment Product**

**Education:** During the data-gathering process, we review the client's written investment policy and have personal discussions with the client in which goals and specific objectives, investment restrictions, time horizons, risk tolerance, and liquidity needs are discussed. As appropriate, we also review and discuss a client's prior investment history and background, and provide product education when appropriate.

**c. Discretionary or Non-discretionary Authority:**

Discretionary: Adviser will only have discretionary authority to buy and sell securities for a client that has specifically granted investment discretion in writing; this discretionary trading authorization is continuing in nature and will remain in effect until terminated by the client or by the Adviser. As of the date of this Firm Brochure, Adviser only has discretionary authority for a client that is an affiliated entity, and for a client that is a mutual fund for which CFS is the Investment Adviser for the Fund.

Non-Discretionary: Adviser offers the service of managing client investments on a non-discretionary basis. This means that Adviser would contact the authorized person for the Client (such as the CEO, CFO, or other designated officer) to seek Client approval for a recommended transaction prior to buying or selling. The client's custodian may charge a transaction fee or commission on transactions which is separate from our advisory fee.

**d. Type of Investments:** The Adviser will only recommend investment in products that are Credit Union Permissible Investments (as described in Item 4 and as defined by the Regulations). Credit Union Permissible Investments include, but may not be limited to:

- United States governmental securities;
- Obligations of U.S. Government Agencies (including but not limited to: Government National Mortgage Association ("GNMA"), Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), Small Business Association ("SBA") Loan Pools, and Student Loan Marketing Association ("SLMA") obligations;
- Federal Family Education Loan Program ("FFELP") securities (which are a public-private partnership, with private sector lenders funding loans that are guaranteed, in whole or in part, by the U.S. Department of Education. The amount of the principal and interest guaranteed by the Department of Education fluctuates from 75% to 100% depending upon (1) when the loan was made, and (2) the default percentage of the lender. Since the Department of Education may not guarantee the entire loan, in the event of default, the securities may lose value.);
- Mortgage related securities, such as Collateralized Mortgage Obligations ("CMO"s) and Real Estate Mortgage Investment Conduits ("REMIC"s);

- Certificates of deposit;
- Corporate Credit Union shares or deposits;
- Municipal securities;
- Mutual fund shares that limit investments to Credit Union Permissible Investments;
- Corporate debt securities (other than commercial paper) which is rated investment grade; and
- Variable rate investments tied to domestic interest rates.

**e. Portfolio Selection:** The Adviser will create and manage an individual portfolio of Credit Union Permissible Investments for the client which is tailored to the needs of the client, based on the client's investment policy as well as the client's specific goals and objectives (i.e., maximum capital appreciation, growth, income, or growth and income). The client may impose reasonable restrictions on investing in certain securities, types of securities, or industry groups (e.g., restriction on investments in certain types of certificates of deposit or municipal securities issued by certain municipalities). Because some types of investments involve certain additional degrees of risk, they will only be recommended or implemented when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Because SMA portfolios are managed for an individual client, the performance of portfolios with the same or very similar investment objectives may differ if the Adviser provides investment advice to more than one SMA. In such instance, clients should not expect that performance of their individual SMA portfolio will be identical or similar to the SMA portfolio of any other client.

**f. Investment Supervisory Services: Investment Management and Portfolio Monitoring and Reporting.** The Adviser will continuously and regularly supervise the investments in the client's advisory account. The Adviser will also monitor for changes in the Regulations which alters the definition of Credit Union Permissible Investments and will take appropriate action in Discretionary Accounts (and will make appropriate recommendations to a client that maintains a non-discretionary account), so that investments within the SMA of the client remain Credit Union Permissible Investments. This may result in the Adviser divesting an investment from the SMA (or, in the case of a non-discretionary account, recommending divestiture of an investment that was a Credit Union Permissible Investment when it was acquired, but no longer qualifies as permissible due to a change in regulation or other factors (such as loss of rating or credit support)). Portfolios are reviewed at least monthly and rebalanced as necessary. The Adviser monitors the performance of client's portfolios and will provide a report to each client every month; such reports are intended to provide information regarding the performance of each client's account for a period of time. The Adviser encourages each client to compare reports provided by the Adviser to the statements received from their qualified custodian for accuracy.

## **II. Consulting Services**

Clients may also obtain investment advice from the Adviser on a more focused, non-investment management, consulting basis. Consulting Services may be conducted on an ongoing basis, or may be conducted on a project basis regarding isolated area(s) of concern. Consulting Services offered by CFS include, but may not be limited to: Asset/Liability Management ("ALM"), ALM Policy Reviews, ALM Training, ALM Reporting, Liquidity Policy and Contingency Plan Reviews, What-if Scenarios, ALCO participation and training, Investment Policy Review, Subjective Assumption Review, Model Validation, Bond Accounting, Strategic Planning, Non-Maturity Deposit Analysis, and other specialized services. Consulting Services does not include trade execution services.

## **III. Amount of Assets Managed.** As of May 31, 2011, Adviser has:

<b>Type of Account</b>	<b>\$ Amount of Assets Managed</b>	<b>Number of Clients</b>
Discretionary:	\$126,466,633	Two (2)
Non-discretionary:	\$ 0	Zero (0)

As of May 31, 2011, current clients had not requested Asset Management on a Non-discretionary basis, although Adviser offers this service (as outlined in part c of Item 4, above).

## **IV. Advisory Agreement: Investment Management Agreement and Consulting Services Agreement**

The scope of work to be performed by Adviser and the associated fees to be paid by Client is specified in a written Agreement which must be executed by an authorized person of client and by Adviser before we begin service.

Our Investment Management Agreement and Consulting Services Agreement may be terminated at any time, by either party, upon written Notice; certain terms of the Agreement may be amended upon 30 days prior notice. Investment Management and Consulting Fees are billed in arrears, with the exception of any minimum fees that may apply. Upon termination of the agreement, a pro-rated portion of any fees that may have been pre-paid but were not earned (if any) will be refunded to Client. All fees are negotiable.

## **V. Conflicts of Interest.**

To the extent the Adviser provides investment advice on the proprietary assets of its owner, Corporate America Credit Union, an apparent conflict of interest may exist in the management of the Adviser and the management of Corporate America Credit Union as a result of: (1) the relationship between these entities, and (2) the dual employment of an Investment Adviser Representative as (A) a senior management person of the Adviser, and (B) a senior management person of Corporate America Credit Union (a client of the Adviser). The Adviser and this client (Corporate America Credit Union) have mitigated this apparent conflict through the segregation of duties and authority with respect to control of the SMA assets of its owner (Corporate America Credit Union), to ensure that (i) assets of the Corporate America Credit Union are held at an independent qualified custodian (the "Custodian"), (ii) the Custodian has been advised that a specified independent senior manager of Corporate America Credit Union that is not employed by or affiliated with the Adviser has signing authority to direct the Custodian to move or disburse of its assets, and the authority of the dually employed Investment Adviser Representative (described above) with respect to this related client's SMA is limited to discretionary trading authorization only, notwithstanding the dual management role of the Investment Adviser Representative. Other additional controls have been put in place to address and mitigate this apparent conflict of interest.

A conflict of interest may exist if the Adviser provides investment advice on the Corporate Credit Union shares or deposits of its owner, Corporate America Credit Union. Therefore, to avoid such conflict of interest, the Adviser will not provide investment advice on Corporate Credit Union shares or deposits issued by Corporate America Credit Union of any affiliated entity.

A conflict of interest may exist with Adviser's Management of the Corporate America CU Short Duration Fund; the Portfolio Manager's management of SMAs may give rise to potential conflicts of interest in connection with the Fund's investments, on the one hand, and the investments of the SMA accounts, on the other. The SMAs may have the same investment objective as the Fund. Therefore, a potential conflict of interest may arise as a result of the identical investment objectives, whereby the Portfolio Manager could favor one account over another. Another potential conflict could include the Portfolio Manager's knowledge about the size, timing and possible market impact of Fund trades, whereby the Portfolio Manager could use this information to the advantage of other accounts and to the disadvantage of the Fund. However, the Adviser has established policies and procedures to ensure that the purchase and sale of securities among all accounts it manages are fairly and equitably allocated.

Please see Item 11 and other parts of this Brochure for disclosure of other potential conflicts of interest that have been identified.



## **Item 5 Fees and Compensation**

Fees are based on the type and level of service provided. Asset Management Services (discretionary and non-discretionary) are charged based on a percentage of the value of assets under management. Consulting Service fees are charged based on the nature and frequency of the services being provided based upon the Asset Size of the Client; all fees may be subject to specified minimums.

### **I. Fees: Asset Management Services / Investment Supervisory Services**

The Adviser's annual fees for Asset Management Services / Investment Supervisory Services through Separately Managed Accounts ("SMA"s) (as described in Item 4 (above)) are based upon a percentage of the value of a client's assets under management. Fees are based on a sliding scale in which the fee to the Client decreases as the amount of the Client's assets under management with Adviser increase; fees generally range from 0.25% to 0.03% of assets under management, and are subject to a minimum monthly fee. Fees are negotiable by mutual agreement between the client and the Adviser and are specified in the Agreement between Client and Adviser. Fees are calculated and charged monthly in arrears, based upon the percentage of assets under management, which are determined by the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance) of the client's account at the end of the month. The Adviser will send an invoice to the client, and the client is requested to pay the Advisory fee within 30 days of receipt of the invoice. Neither the Adviser nor any of its supervised persons receive securities commissions or other compensation for the sale of securities from transactions related to advisory accounts.

***Limited Negotiability of Advisory Fees:*** Adviser retains the right to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These factors may include, but are not limited to, the complexity of the client demands; assets to be placed under management; anticipated future additional assets; related accounts; portfolio style; account composition; and frequency of reports. The specific annual fee schedule applicable to a client is identified in the contract between the Adviser and each client.

### **II. Fees: Consulting Services**

Fees for Consulting Services (as outlined in Item 4, above) are calculated and charged by the Adviser on a fixed fee basis, which are determined based on the nature and frequency of the services being provided, and the complexity of each client's circumstances, and the asset size of the Client. Consulting Services fees are separately negotiated with clients and subject to the specific arrangement reached with the client as specified by written agreement. Consulting Service fees range from approximately \$2,000 to approximately \$10,500 annually for ongoing consulting, and from \$100 to \$1,000 for one-time consulting projects.

### **III. Fees: Other**

***Additional Fees and Expenses:*** Separate from and in addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker/dealers, including, but not limited to, any transaction charges imposed by a broker/dealer with which Adviser effects transactions for the client's account(s). Please refer to the

"Brokerage Practices" section (Item 12) of this Firm Brochure for additional information. Clients may incur brokerage or other transaction fees, annual account fees, or other brokerage or custodian charges as determined by the custodian where their account is held. Adviser's fees do not cover any execution-related expenses, commissions and margin interest (if any), securities exchange fees, or other fees required by law or charged by the broker-dealer with custody of the account. In addition, advisory fees may vary from the applicable schedule described in this Item 5 due to particular circumstances of the client or as otherwise negotiated with the client.

***Fees for Mutual Fund Investments:*** All fees paid to the Adviser for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or Exchange Traded Funds ("ETF"s) to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will 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. If a client invests in a mutual fund, the client may do so directly, without our advisory services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to the client's financial condition and objectives. Accordingly, the client should review both the fees charged by any mutual funds and ETFs in which the client invests and our advisory fees to fully understand the total amount of fees to be paid by the client.

#### **IV. Fees: General Information**

***Minimum Account Requirements for Asset Management Services:*** The Adviser typically requires that clients have a minimum of \$1,000,000 in assets for investment in order to start or maintain an advisory account with the Adviser. This account size may be negotiable under certain circumstances. The Adviser may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee. Fees for Asset Management Services are based upon a percentage of assets under management, but are also subject to minimum monthly fees.

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. The Adviser does not anticipate receiving any pre-paid unearned fees since the client will be invoiced in arrears (for SMAs) or at the completion of a consulting engagement (for advisory consulting services). However, upon termination of an account, the Adviser will determine whether it has received any prepaid, unearned fees from the client and, if so, such fees will be promptly refunded. *In calculating a client's reimbursement of fees, the Adviser will pro rate the reimbursement according to the number of days remaining in the billing period.*

***Advisory Fees in General:*** The client should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees. It is the client's responsibility to determine if fees charged by the Adviser, as outlined above, are suitable for that client.

***Limited Prepayment of Fees:*** Under no circumstances will Adviser require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

**Item 6    Performance-Based Fees and Side-By-Side Management:**  
**Not Applicable**

The Adviser and its supervised persons do not charge performance-based fees for advisory services. Performance-based fees are fees that are based on a share of capital gains on or capital appreciation of a client's account.

## Item 7 Types of Clients

The Adviser provides advisory services to the following types of clients:

- Credit unions (generally defined as a Thrift entity)
- A Mutual Fund (open-end management investment company) that limits its investments to credit union permissible investments

**Account Minimums and Minimum Fees: Investment Management Services.** As previously disclosed in Item 5, the Adviser has established certain minimum account requirements to maintain an account, based on the nature of the service(s) being provided. The Adviser typically requires that clients have a minimum of \$1,000,000 in assets for investment in order to start or maintain an advisory account with the Adviser. The Adviser may also charge a minimum monthly fee for Investment Management Services. For a more detailed understanding of those requirements, please review the disclosures provided in Item 5.

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

The Adviser uses the following methods of analysis in formulating its investment advice and/or managing client assets:

### ***METHODS OF ANALYSIS***

***Permissible Investments for Credit Unions.*** The Adviser determines the types of investments that are permissible for credit unions by referencing the regulations applicable to the client (as specified for a Federally chartered credit union in the Federal Credit Union Act and in Part 703 of the NCUA Rules and Regulations, and as specified for a state chartered credit unions by their individual credit union acts; collectively "Credit Union Permissible Investments"). The Adviser will review changes to the applicable laws, rules and regulations that govern Credit Union Permissible Investments and will adjust the investments (for discretionary accounts) or recommendations on investments (for non-discretionary accounts), as necessary, to ensure that Adviser only invests in or recommends permissible investments. The Adviser will ensure that appropriate tests and criteria to ensure compliance with NCUA regulations, or applicable State regulations for state chartered credit unions, will be completed before recommending or effecting the purchase of any investment. Prior to investing in or recommending a security for investment, the Adviser will ensure that a risk analysis is performed for any investment type that has not previously been analyzed. The Adviser will rely on present day pricing information, quantitative cash flow valuation techniques, and actual and projected ratings to determine if a given security is priced at a significant discount to its long-term value.

***Fundamental Analysis.*** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy and specific economic conditions) to determine if the security is under priced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security. The Adviser takes a bottom-up approach to buying securities by monitoring the financial markets to identify securities that match the investment criteria of the Client, with a focus on identifying securities that are trading at a wide spread to the historical Treasury yield curve and comparing the parameters of such securities to distill which securities will yield more on a relative risk versus yield basis. Adviser uses various financial information systems, such as Bloomberg, and other publicly available information (such as: financial news, ratings, information available through the Securities and Exchange Commission) to evaluate Client holdings and make investment recommendations.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the rating agencies that review these securities (if any), and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information. In addition, errors in judgement in this analysis can lead to losses that clients should be prepared to bear.

**Consulting Services.** The Adviser will use third party software to prepare Balance Sheet models and income scenarios and will utilize the models and scenarios (along with the client's objectives and the general economic climate) to interpret the materials and make recommendations to the client for ways to improve the management of their assets and liabilities. Errors with these models and in interpreting these materials can lead to losses that clients should be prepared to bear.

## **INVESTMENT STRATEGIES**

The Adviser uses the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** The Adviser purchases securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, the Adviser may not take advantage of short-term gains that could be profitable to a client. Moreover, if the Adviser's predictions are incorrect, a security may decline sharply in value before the Adviser makes the decision to sell.

**Short-term purchases.** When utilizing this strategy, the Adviser purchases securities with the idea of selling them within a relatively short time (typically a year or less). The Adviser does this in an attempt to take advantage of conditions that it believes will soon result in a price swing in the securities it purchases.

A short-term purchase strategy poses risks should the anticipated price swing not materialize. In this instance, the Adviser is then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Trading.** The Adviser also purchases securities with the idea of selling them very quickly (typically within 30 days or less). The Adviser does this in an attempt to take advantage of its predictions of brief price swings. Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are left with few options:

- having a long-term investment in a security that was designed to be a short-term

purchase, or

- the potential of having to taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

***Tailored Investment Strategies.*** Investment strategies recommended and/or used for each Client are specifically tailored to the investment objectives, investment policy, restrictions and risk tolerance of the Client.

***Risk of Loss.*** Securities investments are not guaranteed; are not credit union deposits; are not insured or guaranteed by the National Credit Union Share Insurance Fund, The National Credit Union Administration or any other Government Agency. Owning securities involves investment risks and a client may lose money on investments. All investments involve a risk of loss of capital. A client's investment portfolio will fluctuant in value as market conditions change and the client could lose all or a portion of the value of the investment portfolio over short or even long periods of time. Investing in securities involves a risk of loss that clients should be prepared to bear. We ask our Client to work with us so we understand your tolerance for risk.

## **Item 9     Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

The Adviser and its management personnel have no reportable disciplinary events to disclose.



## Item 10 Other Financial Industry Activities and Affiliations

Corporate Financial Solutions, Inc. is a registered investment adviser and a wholly owned subsidiary of Corporate America Credit Union, a state chartered corporate credit union. Corporate America Credit Union is a wholesale "corporate" credit union that does not maintain accounts with natural persons. As a Credit Union Service Organization ("CUSO") subsidiary of Corporate America Credit Union, the Adviser is affiliated with, and under common ownership and control with, other CUSOs that provide financial or support services to credit unions. The Adviser is affiliated (through the common ownership by Corporate America Credit Union) with the following entities (referred to collectively with Corporate America Credit Union, as the "Related Companies"):

- **Corporate Investment Services, Inc.** (a wholly owned CUSO of Corporate America Credit Union that offers corporate investment brokerage services through an unaffiliated third-party FINRA member broker/dealer; this affiliate, Corporate Investment Services, Inc. does not provide brokerage or other services to the Adviser or to any advisory client account);
- **CU Compliance Group, Inc.** (a wholly owned CUSO of Corporate America Credit Union that offers compliance consulting and independent testing for USA Patriot Act, OFAC, Bank Secrecy Act and other anti-money laundering ("AML") laws; this affiliate, CU Compliance Group, Inc., does not provide services to the Adviser or to any advisory client account);
- **Smart Source Solutions, LLC** (a wholly owned CUSO of Corporate America Credit Union that offers Web site and Web application development for credit unions and CUSOs; this affiliate, Smart Source Solutions, LLC, has provides services to the Adviser; this affiliate does not provide services to any advisory client account).

With respect to Corporate Investment Services, Inc., ("CIS") the Adviser will not use the services of this affiliate and will not recommend the services of this affiliate to its advisory clients. The Adviser may make advisory clients aware of the types of services that CIS may provide separate and apart from Adviser. An Advisory client that chooses to use the services of CIS (if any), is required to establish a separate, direct, relationship with CIS that does not involve the Adviser, the client's advisory account and related advisory clients' relationship with the advisory assets.

The Related Companies and their employees may also make their clients aware of the types of advisory services available through CFS. The services provided by the Related Companies are separate and distinct from our advisory services, and are provided for separate and additional compensation.

An Investment Adviser Representative of CFS is (A) a senior management person of the Adviser, and (B) a senior management person of each of the Related Companies, which causes an apparent conflict of interest between the Adviser and the Related Companies. The Adviser has been engaged to provide investment advisory services with respect to certain proprietary assets of Corporate America Credit Union. Other than general discretionary authority to manage the assets of the credit union's Advisory Account, neither the portfolio manager nor any other employee of the Adviser has the authority to withdraw

funds or securities comprising the Advisory Account of the credit union, which is maintained at an independent third party custodian.

CFS has an affiliation with the Corporate America CU Short Duration Fund, because CFS is the Investment Adviser and Portfolio Manager of the Fund. The Fund is a series, or mutual fund, of a Trust that is registered with the Securities and Exchange Commission as an open-end management investment company.

As previously outlined in Item 4 (Advisory Business), a conflict of interest may exist with Adviser's Management of the Corporate America CU Short Duration Fund; the Portfolio Manager's management of SMAs may give rise to potential conflicts of interest in connection with the Fund's investments, on the one hand, and the investments of the SMA accounts, on the other. The SMAs may have the same investment objective as the Fund. Therefore, a potential conflict of interest may arise as a result of the identical investment objectives, whereby the Portfolio Manager could favor one account over another. Another potential conflict could include the Portfolio Manager's knowledge about the size, timing and possible market impact of Fund trades, whereby the Portfolio Manager could use this information to the advantage of other accounts and to the disadvantage of the Fund. However, the Adviser has established policies and procedures to ensure that the purchase and sale of securities among all accounts it manages are fairly and equitably allocated.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

**Code of Ethics:** As required by regulation (and because it is good business), the Adviser has adopted a Code of Ethics which addresses certain potential conflicts of interest we may have when providing our advisory services to our clients and sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

The Adviser and its personnel owe a duty of loyalty, fairness and good faith towards our clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code of Ethics.

Our Code of Ethics includes policies and procedures that address: Standards of Business Conduct; Prohibitions Against Insider Trading; Personal Securities Transactions; Gifts and Entertainment; Protecting the Confidentiality of Client Information; Reporting and Recordkeeping Requirements; and establishes sanctions for violations. Employees must submit quarterly securities transactions reports as well as initial and annual securities holdings reports for review. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

The Adviser's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While the Adviser does not believe that it has access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [info@corporatefinancialsolutions.org](mailto:info@corporatefinancialsolutions.org), or by calling the Chief Compliance Officer, Benjamin Hayley, at 205-581-0165.

**No Principal Transactions:** The Adviser and individuals associated with our firm are prohibited from engaging in principal transactions.

**Agency Cross Transactions:** Because it is anticipated that the Adviser will not utilize a Related Company acting as broker/dealer to effect advisory client transactions, the Adviser does not anticipate effecting an agency cross transaction for an advisory client. An agency cross transaction is a one where the Adviser acts as an investment adviser in relation to a transaction in which any Related Company acts as broker for both the advisory client and for the counterparty to the transaction. In the event that agency cross transactions are anticipated being effected in the future, the Adviser acknowledges that it will only effect such transaction if it is consistent with its fiduciary duty to the advisory client and that it will comply with all requirements outlined in Sec. 206(3)-2 of the Investment Advisers Act of 1940.

**Personal Trading (of Employees):** The Adviser's Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees do not interfere with making and implementing investment decisions in the best interest of advisory clients.

The Adviser and/or individuals associated with our firm may buy or sell securities for their personal accounts identical to or different from those recommended to an advisory client. In addition, any employee may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented in that security for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We do not have any retail clients, therefore no employee of the Adviser or any affiliate of the Adviser is a client of the Adviser; consequently, no there are no employee trades that could be aggregated with client transactions.

**Managing Actual or Potential Conflicts of Interest:** To avoid any actual or potential conflicts of interest with our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. No person employed by us may purchase or sell any security prior to a transaction(s) in that security being implemented for an advisory account. This prevents employees from benefiting from transactions placed on behalf of advisory accounts.
4. No employee may invest in any IPO or private placement investments without prior approval of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. Related Companies will not be involved in effecting securities transactions during the investment process; therefore, no Related Companies will receive separate commission compensation in conjunction with advisory services.
7. Clients can decline to implement any advice rendered, except in situations where our firm is specifically granted discretionary authority.
8. All principals, officers and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

9. All principals, officers and employees must receive and acknowledge receipt of the Code of Ethics consistent with the Adviser's procedures.
10. All principals, officers and employees must report violations of the Code of Ethics consistent with the Adviser's procedures.
11. Controls are in place to address the apparent conflict that exists between the management of the Adviser and the management of the parent company, as further outlined in Item 4 of this Brochure.
12. Any individual who violates any of the above policies or procedures may be subject to termination.

## Item 12 Brokerage Practices

**No Soft Dollars.** Neither the Adviser nor its employees receive any economic benefit from a non-client in connection with giving advice to advisory clients. The Adviser does not have any soft-dollar arrangements and does not receive any soft-dollar benefits; it does not receive any products or services (except execution services) from broker/dealers paid for with commissions generated from portfolio transactions, nor does it receive any products or services from third parties through its executing broker/dealers that are paid for with brokerage commissions generated from client portfolio transactions (known as 'soft dollars'). Any products and services (other than execution services) received by the Adviser in connection with advisory services rendered to clients is written materials or personal communication between Adviser and any third party regarding the investment advisory business are either complimentary or paid for by the Adviser directly.

**Brokerage Discretion:** The Adviser requires that clients provide written authority to determine the broker-dealers to use and the commission costs that will be charged for transactions. A brokerage firm that is unaffiliated with the Adviser, and unaffiliated with any Related Company of the Adviser will execute transactions at our direction. Transactions in U.S. securities traded over-the-counter may be subject to brokerage commission as well as brokerage mark-up/mark-down.

**Limitations on Discretionary Authority Must be in Writing.** Clients from whom the Adviser accepts discretionary authority must include any limitations on this discretionary authority in the investment advisory agreement with the Adviser. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

**Best Execution.** Securities traded through the approved brokers unrelated to the Adviser trade at rates that we believe are competitive in view of the services provided. In selecting brokers/dealers, the Adviser seeks those it believes can offer best execution, taking all facts the Adviser considers relevant into consideration (including but not limited to: overall economic result; efficiency of the transaction; availability of block trading; ability of the broker/dealer to execute potentially difficult transactions; and the financial strength, size and reputation of the broker/dealer).

**Aggregate / Block Trading.** Although a client SMA is individually managed, the Adviser may purchase and/or sell the same securities for multiple accounts. To the extent that clients maintain SMAs at the same designated custodian, the Adviser may combine separate client transactions in the same security and execute the transaction as a block transaction. The Adviser only blocks client transactions if it is in the best interest of each client to do so. Transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Clients in an aggregated block transaction each receive the same price per unit. If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will typically receive the average price paid for the securities in the same aggregate transaction on that day. The Adviser generally will rotate or vary the order of brokers through which it places trades for clients on any particular day consistent with its obligation to obtain best execution.

If and when possible, Block trading may allow us to execute trades in a timelier, more equitable manner, at an average price. The Adviser's block trading policy and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Adviser or our firm's order allocation policy.
2. The portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's SMA.
3. The portfolio manager must reasonably believe that the order aggregation will benefit and will enable the Adviser to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best price.
4. Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account or to avoid excessive ticket charges in smaller accounts.
6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
7. If the order will be allocated in a manner other than that stated in the initial order ticket, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
8. The Adviser's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
9. Funds and securities for aggregated orders are clearly identified on the Adviser's records and to the broker/dealers or other intermediaries handling the transactions (by account numbers) for each participating client.

10. No client or account will be favored over another.



## **Item 13    Review of Accounts**

### **I. Asset Management Services / Investment Supervisory Services:**

**REVIEWS:** While the underlying securities within SMA accounts are continually monitored to determine the continued viability of investments in these securities, these accounts are reviewed at least monthly unless a client requests otherwise or circumstances suggest a more frequent review. Accounts are reviewed in the context of the client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as a client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Thomas D. Bonds, President and CEO of the Adviser, and Investment Advisor Representative.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that the client receives from its custodian, the Adviser provides monthly reports summarizing account performance, balances and holdings. The Adviser urges its clients to compare the account statements received from their qualified custodians and the statements provided by the Adviser. At a minimum, each client has the opportunity to meet with the Adviser in person or via conference call, on a monthly basis to review their account. Monthly reports are provided to clients whether the client seeks to meet with the Adviser or not.

### **II. Advisory Consulting Services**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative, and supervised by Thomas D. Bonds, President and CEO of the Adviser, and Investment Advisor Representative.

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory engagement.

## **Item 14    Client Referrals and Other Compensation**

It is the policy of the Adviser not to engage solicitors or to pay any person for referring potential clients to our firm.

It is Adviser's policy not to accept or allow our employees to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

The Adviser does not have custody of the assets of its Clients, and does not anticipate having custody of the assets of any future client for the following reasons:

- a. Clients utilize unaffiliated qualified custodians selected by the Client as the custodian of its assets managed by the Adviser.
- b. The Adviser does not have any arrangement in which any employee is authorized to withdraw client funds or securities that are maintained with a custodian.
- c. Controls are in place to ensure that CFS will not have custody and to address the apparent conflict that exists between the Adviser and its parent, Corporate America Credit Union, in connection with the Adviser's management of certain proprietary assets of the credit union, as further outlined in Item 4 of this Brochure.

## **Item 16 Investment Discretion**

**Discretionary:** In the event that a client seeks to retain the Adviser to provide asset management services on a discretionary basis, the client must enter into a written agreement with the Adviser and appoint the Adviser as its agent and attorney-in-fact, with full trading authority and discretion, on the client's behalf and risk, to purchase and sell securities in such amounts, at such prices and in such manner as the Adviser may deem advisable for the client's investment portfolio (trading authorization). A client may limit the discretion granted to the Adviser at any time pursuant to written instructions.

**Non-discretionary:** The Adviser also offers asset management services on a non-discretionary basis as outlined in Item 4 of this Brochure.

## **Item 17    Voting Client Securities / Proxy Voting**

Because the Permissible Investments for Credit Unions are primarily fixed income products, the need to vote proxies does not typically arise. Consequently, as a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, the client maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. The client is responsible for instructing the designated custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues that arise, if any, if the client contacts us with questions at our principal place of business.

## **Item 18 Financial Information**

As an Investment Adviser that maintains discretionary authority for certain client account(s), we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Corporate Financial Solutions, Inc. has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Corporate Financial Solutions, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19 Business Continuity Plan; Information Security; Privacy Notice**

**Business Continuity Plan:** Adviser has a Business Continuity Plan in place to mitigate and recover from the loss of space, communication systems, services or key employees. The plan provides for periodic testing. A summary of our business continuity plan is available upon written request.

**Information Security Policy:** Adviser maintains an information security policy and procedures to mitigate the risk that confidential information could be breached; a copy of our Information Security Policy is available upon written request.

**Privacy Notice:** Adviser maintains a privacy policy to mitigate the risk that non-public client data could be breached. A copy of our Privacy Policy Notice is delivered to all clients annually in writing. The Privacy Notice is also available at any time upon written request.