



# Firm Brochure



The Corundum Group

A Division of Central Bancorp

Item 1

# Firm Brochure

(Part 2A of Form ADV)



## The Corundum Group

A Division of Central Bancorp

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This brochure provides information about the qualifications and business practices of The Corundum Group, Inc. (TCG). If you have any questions about the contents of this brochure, please contact us at (719) 228-1080 or by email at [Wealth@CentralBancorp.com](mailto:Wealth@CentralBancorp.com). 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 TCG is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). TCG is registered with the SEC; however, registration does not imply a certain level of skill or training.

December 31, 2013

## Item 2: Material Changes

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes have occurred since the previous release of the Firm Brochure.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (719) 228-1080 or by email at [Wealth@CentralBancorp.com](mailto:Wealth@CentralBancorp.com).

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## Item 4: Advisory Business

### Firm Description

The Corundum Group, Inc. was founded in 1992 and operated as a family office, whereby nearly all its assets under management were from descendants of a single family. As it grew, TCG obtained numerous other high net worth clients. TCG's offices are located in Colorado Springs, CO.

TCG is a registered investment advisor with the SEC that provides investment supervisory services and manages investment advisory accounts for individuals, retirement plans, trusts, partnerships, corporations, and charitable organizations. Advice is provided through consultation with the client and may include determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

TCG is strictly a fee-only investment management firm. No commissions or finder's fees are accepted.

Investment advice is provided with TCG having discretion on most of their accounts, meaning the client has given TCG the authority to buy and sell securities in their portfolio.

TCG offers a complete range of investment classes, including large cap growth and value, small and mid cap growth and value, and fixed income. Occasionally, real estate, debt or investments other than stocks and bonds are offered to our clients.

### Principal Owners

TCG is a wholly-owned subsidiary of Central Bancorp, Inc., a bank holding company.

### Types of Advisory Services

**Asset Allocation:** TCG uses written and verbal interviews with clients to establish investment goals and timelines; risk tolerance, and current and future income needs. Following the establishment of these parameters, TCG creates a target asset allocation for each client and the target allocation is compared to the actual allocation of the portfolio at least quarterly.

**Investment Management:** After giving consideration to mitigating factors such as tax, income and non-financial impacts, the portfolio is adjusted to more closely reflect the target allocation. TCG may use individual securities, mutual funds, or proprietary investment products to manage individual portfolios.

**Estate Planning:** TCG advises interested clients on a wide range of estate planning techniques. The techniques discussed may include Revocable and Irrevocable Trusts, Grantor Retained Annuity Trusts, Charitable Lead Annuity Trusts, Charitable Remainder Unitrusts, Irrevocable Life Insurance Trusts, Limited Partnerships or other currently appropriate planning techniques.

TCG does not specialize in any one type of advisory service, but provides advice in many areas of financial planning.

As of December 31, 2013, TCG manages approximately \$663 million in assets for approximately 96 clients. Approximately \$623 million is managed on a discretionary basis, and \$40 million is managed on a non-discretionary basis.

### **Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements or Statement of Investment Objectives are created to reflect the risk tolerance, time horizon and investment objectives of each client. We provide quarterly reports and meet with clients as needed. Clients may impose restrictions on investing in certain types of securities.

### **Advisory Services Agreement**

An Advisory Services Agreement is executed for all clients, which along with the Statement of Investment Objectives, explains the services we provide and our fees. The client or the investment manager may terminate an agreement by written notice to the other party.

### **Asset Management**

A large portion of assets under management are invested primarily in one or more LLCs, known as “private funds,” offering broad asset allocation choices, with other assets invested in mutual funds or other securities. Fund companies charge each shareholder an investment management fee which is disclosed in the fund prospectus. LLCs may also charge a management fee, which is disclosed in their operating agreement.

Stocks and bonds are purchased or sold through a brokerage account when appropriate. The brokerage firm does not typically charge a fee for stock and bond trades in an advisory account, but does charge a per transaction or asset-based fee, for its services as a broker-dealer. TCG does not receive any compensation, in any form, from mutual fund companies. In addition, federal, state and agency fees may apply.

Investments may also include equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (mutual funds shares), U. S. government securities, options contracts, futures contracts, interests in partnerships and private equity. Initial public offerings (IPOs) are not available through TCG.

### **Termination of Agreement**

A client may terminate any of the aforementioned agreements at any time by notifying TCG in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, TCG will refund any unearned portion of the advance payment. TCG may terminate any of the aforementioned agreements at any time by notifying the client in writing.

TCG reserves the right to stop work on any account that is more than 30 days overdue. Any unused portion of fees collected in advance will be refunded within 10 days.

## **Item 5: Fees and Compensation**

## **Description**

TCG bases its fees on a percentage of assets under management. Fees are typically not negotiable; however, TCG in its sole discretion may charge a lesser or greater investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.). Typically, fees are based on a percentage of client investments, ranging from one-half of one percent to two percent, depending on the size and type of account.

## **Fee Billing**

Investment management fees are billed quarterly, in advance, meaning that we invoice clients similar to mutual funds. LLCs or private funds also generally charge a management fee. In the case where TCG is the manager of the LLC, it would receive the management fee. These management fees would be in addition to the other fees paid to TCG before the three-month billing period has begun. Fees are usually deducted from a designated client account to facilitate billing. A fee disclosure is provided each quarter with the client's quarterly statement. The client must consent in advance to direct debiting of fees from their investment account. At termination, fees will be refunded on a pro rata basis for the portion of the quarter unused. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

## **Other Fees**

A broker (see Brokerage Practices) may charge transaction fees or asset-based fees which facilitate the buying and selling of securities.

## **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. Mutual funds are sometimes used in the services provided by TCG and therefore clients should expect mutual fund fees in addition to the fees paid to TCG.

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

### Sharing of Capital Gains

TCG generally charges clients a percentage fee for assets under management. Although our percentage fee may remain constant, actual fees will increase or decrease with a change in account value.

For certain private funds, TCG may charge a performance fee. Generally, TCG would receive this fee after investors have been returned their full investment plus an agreed upon return.

Performance-based compensation may create an incentive for the advisor to recommend an investment that may carry a higher fee. We believe this conflict of interest is mitigated by fully disclosing our fee relationship.

## Item 7: Types of Clients

### Description

TCG primarily provides investment advice to high net worth individuals and, to a lesser extent, pension and profit sharing plans, trusts, estates, and charitable organizations.

Client relationships vary in scope and length of service.

### Account Minimums

We do not have account minimums; however, typically our clients are high net worth individuals with balances in excess of \$1M. Smaller accounts may be set up when the client and the advisor anticipate the client will add additional funds to the accounts within a reasonable time. Other exceptions apply to employees of TCG and their relatives, or relatives of existing clients.



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

### Methods of Analysis

Our methods of analysis include the use of a broad range of investment information. The main sources of information include annual reports, prospectuses, filings with the SEC and company press releases, financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, and corporate rating services. Other sources of information that TCG may use include research from RBC Wealth Management (see Soft Dollar section), Morningstar Principia mutual fund information, Morningstar Principia stock information, the internet, and other secondary sources.

### Investment Strategies

TCG investment strategies involve the use of money managers, mutual funds, and individual securities. We offer broad asset allocation choices to diversify our clients' portfolio and reduce risk. These asset classes include the stocks of large, mid and small-size companies, both growth companies and those we consider under-valued. Fixed income strategies include municipal bonds, corporate bonds and U.S. government securities. In addition, private debt and equity securities may be utilized. The investment strategy for a specific client is based upon their investment objectives, time horizon and risk tolerance as stated by the client during consultation. The client may change these objectives at any time. Each client executes a Statement of Investment Objectives that documents their goals and desired investment strategy.

### Risk of Loss

All investment programs have certain risks that are borne by the investor. Investors face numerous risks, including interest rate risk, market risk, inflation risk, currency risk, reinvestment risk, business risk, and liquidity risk. Other than these general risks, our investment strategies do not concentrate risk in any one area. Our investment approach helps to mitigate these risks through broadly diversified investments customized to clients' goals and objectives.

## Item 9: Disciplinary Information

### Legal and Disciplinary

The firm and its employees have not been involved in any legal or disciplinary events related to past or present investment clients.

## Item 10: Other Financial Industry Activities and Affiliations

### Financial Industry Activities

TCG is registered with the SEC as a registered investment advisor.

### Affiliations

TCG has relationships and arrangements that are material to its advisory business, or to its clients, with a related entity that is a banking institution (Central Bank & Trust), an insurance company (CB Insurance), a trust company (Corundum Trust Company), a management company (Corundum Partners, Inc.), and a holding company (Bushwood Holdings, Inc.).

**Central Bank & Trust (CB&T):** CB&T is a wholly-owned subsidiary of Central Bancorp, as is TCG, which provides traditional banking services. Occasionally, TCG will refer their clients to CB&T and CB&T will refer their clients to TCG. This creates a potential conflict because the relationship benefits the bank and TCG and the client may be able to obtain those services elsewhere at rates that are more or less competitive. We believe this conflict is mitigated by fully disclosing our relationship with the bank and allowing the client to make their own choice. We believe the fees for our investment advisory and banking services are competitive.

**CB Insurance (CBI):** CBI is a wholly-owned subsidiary of Bushwood Holdings, Inc. (Bushwood). Bushwood and Central Bancorp have common owners. CBI provides property & casualty, workers compensation, liability, and personal lines of insurance. Occasionally, TCG will refer their clients to CBI and CBI will refer their clients to TCG. This creates a conflict because the relationship benefits CBI and TCG and the client may be able to obtain those services elsewhere at rates that are more or less competitive. We believe this conflict is mitigated by fully disclosing our relationship with CBI and allowing the client to make their own choice. We believe the fees for our investment advisory and insurance services are competitive.

**Corundum Partners, Inc. (CPI):** CPI is a wholly-owned subsidiary of Bushwood Holdings, Inc. that provides management services for Limited Partnerships and Limited Liability Companies. It will often serve as the managing member or general partner. CPI may refer its clients to TCG, and TCG may refer its clients to CPI. TCG may recommend investment products of which CPI is the manager. CPI may or may not receive a fee for managing those investment products.

The costs, if any, associated with these special purpose entities are in addition to the base advisory fees paid by clients to TCG. TCG may earn more compensation by recommending an investment in a special purpose entity (LLC or private fund) to accomplish the goals of the client than it would under another investment alternative. The cost, if any, of each special purpose entity is disclosed in the Operating Agreement of the entity. Clients are provided with a copy of the Operating Agreement at the time of their initial investment in the special purpose entity.

**Corundum Trust Company (CTC):** CTC, based in Sioux Falls, SD, is a wholly-owned subsidiary of Central Bancorp that provides traditional trust services. Occasionally, TCG will refer their clients to CTC and CTC will refer their clients to TCG. This creates a conflict because the relationship benefits CTC and TCG and the client may be able to obtain those services elsewhere at rates that are more or less competitive. We believe this conflict is mitigated by fully disclosing our relationship with CTC and allowing the client to make their own choice. We believe the fees for our investment advisory and trust services are competitive.

**Investment Limited Liability Companies (LLCs):** TCG has formed a series of investment LLCs designed to provide diversified, actively managed, core portfolio investments to its clients. Usually, the investments inside these LLCs are managed by third party investment managers; the LLC assets are held by a third party custodian; and administered by TCG. The costs, if any, associated with these LLCs are in addition to the base advisory fees paid by clients to TCG. The additional compensation paid to TCG creates a conflict because TCG may earn more compensation by recommending an LLC investment than it would under another investment alternative. The cost of each LLC is disclosed in the Operating Agreement of the LLC. Clients are provided with a copy of the LLC Operating Agreement at the time of their initial investment in the LLC.

The LLCs are operated as private investment funds each with its own distinct investment strategy. Often times, the LLCs retain separate third party investment advisers to manage the funds in accordance with the investment strategies established for each fund. The investment strategies vary from LLC to LLC but include value, growth, international and fixed income investments.

**Other Limited Partnerships and Limited Liability Companies:** TCG periodically creates special purpose Limited Partnerships or Limited Liability Companies (special purpose entities) for the purpose of owning assets for the purpose of investing in non-traditional or alternative private investment opportunities. The costs, if any, associated with these special purpose entities are in addition to the base advisory fees paid by clients to TCG. The additional compensation paid to TCG creates a conflict because TCG may earn more compensation by recommending a special purpose entity to accomplish the goals of the client than it would under another investment alternative. The cost, if any, of each special purpose entity is disclosed in the Operating Agreement of the entity. Clients are provided with a copy of the Operating Agreement at the time of their initial investment in the special purpose entity.

Further, TCG, its affiliates, or related persons may invest in these special purpose entities and LLCs.

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

### Code of Ethics

TCG adheres to a policy of sound investment principles, practices and high ethical standards. Our Code of Ethics is designed to assist the management and personnel of TCG in establishing and maintaining a good record in relation to regulatory matters and to comply with key regulations of the investment advisor industry. TCG will provide a copy of the Code of Ethics to any client or prospective client upon request.

### Participation or Interest in Client Transactions

TCG and its employees may buy or sell securities that are also held by clients, which may create a conflict of interest. In order to mitigate this conflict, employees may not trade their own securities ahead of client trades.

### Personal Trading

The Chief Compliance Officer of TCG is Steve Condon. He reviews all employee trades each quarter. His trades are reviewed by the Chief Operating Officer. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## Item 12: Brokerage Practices

### Selecting Brokerage Firms

TCG recommends the use of the broker-dealer RBC Wealth Management (RBC) based on the proven integrity and financial strength of the firm and the best execution of orders at reasonable rates. TCG reviews the execution of trades each quarter. TCG does not receive any portion of the trading fees. TCG directs brokerage services solely to RBC. If so desired, the client could direct brokerage elsewhere, but directed brokerage is rare.

### Soft Dollars

TCG receives research or other products or services (described below) other than trade executions from a broker-dealer for which we receive a benefit because we do not have pay for the research, products or services (known as a Soft Dollar agreement). This may create a conflict because we may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on client interest in receiving the lowest cost trade execution. This potential conflict is mitigated by our review and monitoring of our soft dollar agreement with RBC, a broker-dealer. We believe that the Soft Dollar agreement does not increase costs to clients.

The services that RBC provides are:

- **Direct Research** – Compiled and provided by RBC.
- **Indirect Research** – Compiled by third-party sources and provided by RBC.
- **Industry Publications** – General circulation publications dealing with investment topics provided by RBC.
- **Online Quotation and News Services** – Financial feeds, quotation services, or financial or investment news services and information (e.g., Bloomberg).
- **Pricing Services** – Access to pricing services and financial information “marketplaces” that assist us in selecting investments.
- **Computer Software** – Software that provides reports and analysis of client securities portfolios and performance of the client accounts.
- **Trade Execution Assistance** – Equipment and services that provide communications and connectivity with the broker-dealers for purposes of transmitting orders for execution, and clearing and settlement of securities transactions for client accounts.

These services benefit all of our clients. Fees paid by TCG and/or its clients cover the cost of this Soft Dollar agreement.

### **Order Aggregation**

Order aggregation means entering a bunched or block order for a number of unrelated client accounts which allows an adviser to execute transactions in a more timely, equitable, and efficient manner, and seeks to reduce overall fees charged to clients. The policy of TCG is to aggregate client transactions where possible and when advantageous to clients. In these instances, clients participating in any aggregated transactions will be identified prior to entry of the order. Each participating client account shall receive an average share price and transaction costs shall be shared equally and on a pro-rata basis.

## **Item 13: Review of Accounts**

### **Periodic Reviews**

Account reviews are performed quarterly by advisors Steve Condon, President, Ron Johnson, VP, and Jill Johnson, VP. Account reviews are performed more frequently when market conditions dictate.

### **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's personal situation.

### **Regular Reports**

Account reviewers are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive communications and reviews on a quarterly basis. The written updates may include a net worth statement and a portfolio statement.

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

### **Incoming Referrals**

TCG has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources. The firm does not compensate referring parties for these referrals.

### **Referrals Out**

TCG does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## Item 15: Custody

### **Custody**

TCG is deemed to have custody of client assets because for some clients we have their approval to direct debit their account to cover their fees and pay certain bills on their behalf. Certain clients have requested that we maintain a bank account with Central Bank & Trust, an affiliate, for the purpose of paying their bills and expenses. Since TCG has the ability to write checks on the Central Bank & Trust account on behalf of the client, it is also deemed to have custody of those assets.

### **Account Statements**

For assets held at qualified custodians (such as banks or brokerage firms), the custodians provide account statements directly to clients at their address of record at least quarterly. Clients who are invested in Private Fund LLCs receive an annual audit of the financials statements of the LLC within 120 days of the fiscal year end of the LLC.

### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the report statements provided by TCG.

### **Net Worth Statements**

Certain clients are provided quarterly net worth statements and net worth graphs that are generated from our investment management systems based on client-provided data. Net worth statements may contain approximations of bank account balances or other values provided by the client, as well as the value of LLCs, land and hard to price real estate. Net worth statements rely on outside data reported by third parties or directly from clients, which may not be accurate.

## Item 16: Investment Discretion

### **Discretionary Authority for Trading**

TCG accepts discretionary authority to manage securities accounts on behalf of clients. TCG has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Discretionary trading authority ensures that investments are made promptly in client accounts on their behalf.

### **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. Clients sign a limited power of attorney so that we may execute trades in their account.

## Item 17: Voting Client Securities

### **Proxy Votes**

TCG does not vote proxies on securities; clients receive their proxies or other solicitations directly from the issuer or their custodian. Clients can contact TCG with questions about a particular solicitation.

## Item 18: Financial Information

### **Financial Condition**

TCG does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

Item 1

# Appendix 1: ADV 2B Supplemental Brochure



## The Corundum Group

A Division of Central Bancorp

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[Wealth@CentralBancorp.com](mailto:Wealth@CentralBancorp.com)

**Steven P. Condon**  
**Ronald S. Johnson**  
**Lucas M. Hale**  
**Jill M. Johnson**

This brochure supplement provides information about the above named professionals that supplements the TCG brochure. Please contact Steve Condon at (719) 228-1080 if you have any questions about the contents of this supplement.

Additional information about the above named professionals is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**December 31, 2013**

## Item 2: Educational Background and Business Experience

### **STEVEN P. CONDON, PRESIDENT**

#### **Background:**

- Date of birth: October 30, 1964
- B.S. of Business Administration, University of Minnesota

#### **Business Experience:**

Steve Condon is President of The Corundum Group, Inc. and founder and board member of Central Bancorp, Inc. Prior to Central Bancorp, Condon founded and was President of Corundum Trust Company, and also held the position of Vice President of Corundum Partners, Inc.

Before establishing The Corundum Group, Condon was a Partner and Director of Wealth Management for J.C. Bradford & Company, a regional stock brokerage firm in Nashville, TN. Condon's Wealth Management division represented 35% of the firm's \$650 million annual revenues and included the operating units of Bradford Trust Company, Corporate Executive Services, Retirement Services and Financial Planning.

Condon also served on Bradford's Capital Committee, Compliance and Corporate Capital Committees, served as a Board Member of Bradford Trust Company and was Chairman of the firm's Investment Committee. He became a partner of J.C. Bradford at the age of 34.

Prior to joining Bradford, Condon was Vice President and Director of Corporate Executive Services for Dain Bosworth, Inc. in Minneapolis, MN.

## Item 3: Disciplinary Information

Mr. Condon has no legal or disciplinary actions to report.

## Item 4: Other Business Activities

Mr. Condon is President of the Corundum Trust Company (CTC), an entity that is owned by Central Bancorp, a bank holding company. Both Mr. Condon and Mr. Johnson are trust officers for CTC.

## Item 5: Additional Compensation

A percentage of advisory fees is put into a bonus pool, a portion of which is allocated to the listed professionals.

## Item 6: Supervision

#### **Supervisor:**

Tim Coutts, Chief Operating Officer, (719) 228-1091  
Tim.Coutts@CentralBancorp.com

Our Investment Committee consists of all four of the individuals listed in Item 2. The Committee meets periodically to review investment performance and asset allocation.



## **RONALD S. JOHNSON, VICE PRESIDENT**

### **Background:**

- Date of birth: January 26, 1958
- Honors graduate of Gustavus Adolphus College
- Graduate of the Options Program at the Financial Institute of America

### **Business Experience:**

Ron Johnson became President and Chief Executive of Central Bancorp, Inc. upon its founding in April, 2006. Prior to Central Bancorp, Johnson served as President of The Corundum Group which he co-founded in 1992), a Registered Investment Advisor specializing in the needs of high-net-worth families. In addition to his current responsibilities at Central Bancorp, Johnson is Chairman of the Board of Corundum Trust Company and trustee of two private charitable foundations.

Prior to establishing The Corundum Group, Johnson was Vice President and Assistant Treasurer of Dain Bosworth Inc. where, during his eight-year tenure, he oversaw the securities lending, cash management, and money market mutual fund departments.

Johnson's securities lending duties at Dain Bosworth included risk control, daily lending and borrowing, analyzing securities for option arbitrage, and interest-rate forecasting for a \$135 million loan program. Other management duties for which he was responsible included directing all aspects of the firm's \$600 million proprietary cash management accounts (plus short-term interest rate trend analysis, daily investment strategies for the government, governmental agency, commercial paper and reverse repurchase agreement markets), as well as the administration of the debit-card and check writing programs. Licensed as a commodities principal, Mr. Johnson managed Dain Bosworth's risk exposure in the commodities and financial futures markets.

Johnson and his family are involved in the Colorado Springs community and support numerous philanthropic causes and organizations throughout the Colorado Springs region.

### **Item 3: Disciplinary Information**

Mr. Johnson has no legal or disciplinary actions to report.

### **Item 4: Other Business Activities**

Mr. Johnson is a trust officer of the Corundum Trust Company an entity that is owned by Central Bancorp, a bank holding company. Mr. Johnson is also president of Corundum Partners Inc., an affiliated entity.

### **Item 5: Additional Compensation**

A percentage of advisory fees is put into a bonus pool, a portion of which is allocated to the listed professionals.

### **Item 6: Supervision**

#### **Supervisor:**

Steve Condon, President, (719) 228-1080

Steve.Condon@CentralBancorp.com

Our Investment Committee consists of all four of the individuals listed in Item 2. The Committee meets periodically to review investment performance and asset allocation.

**Lucas M. Hale,**  
**CHIEF OPERATING OFFICER**

**Background:**

- Date of birth: September 23, 1980
- Bachelor of Business Administration Accounting and Finance, Abilene Christian University
- Certified Public Accountant, State of Colorado
- Certified Information Technology Professional
- Member of the AICPA and Colorado Society of Certified Public Accountants

**Business Experience:**

Lucas Hale is responsible for The Corundum Group's day-to-day operations. Mr. Hale manages the operation and accounting functions of The Corundum Group investments and client accounts. He also oversees the partnership accounting for various pooled investments the company manages. Mr. Hale has been employed by TCG since 2013. Prior to TCG, Mr. Hale was the Assistant Controller and Manager of Information Technology for a Denver-based private equity firm. Mr. Hale also served as an auditor for a public accounting firm with considerable experience in audits of financial companies. He has been a Certified Public Accountant in the state of Colorado since 2007.

Our Investment Committee consists of all four of the individuals listed in Item 2. The Committee meets periodically to review investment performance and asset allocation.

**Item 3: Disciplinary Information**

Mr. Hale has no legal or disciplinary actions to report.

**Item 4: Other Business Activities**

Mr. Hale does not participate in any other business activities other than in his capacity at TCG.

**Item 5: Additional Compensation**

A percentage of advisory fees is put into a bonus pool, a portion of which is allocated to the listed professionals. The listed professionals do not receive any additional compensation for advisory services outside of their capacity at TCG.

**Item 6: Supervision**

**Supervisors:**

Steve Condon, President, (719) 228-1080  
Steve.Condon@CentralBancorp.com

**JILL M. JOHNSON,  
VICE PRESIDENT**

**Background:**

- Date of birth: October 2, 1979
- Bachelor of Journalism, University of Missouri  
— Columbia, Magna Cum Laude

**Business Experience:**

Jill Johnson is responsible for The Corundum Group's client relations and marketing/strategic growth efforts. Ms. Johnson directs the firm's client relations initiatives, works with the team to analyze investments and manages strategic business development. She has been employed by Central Bancorp, TCG's parent company, since 2008 when she was recruited to lead the marketing and communications department. Prior to joining the company, Ms. Johnson worked in various marketing capacities for several national and regional home builders.

**Item 3: Disciplinary Information**

Ms. Johnson has no legal or disciplinary actions to report.

**Item 4: Other Business Activities**

Ms. Johnson does not participate in any other business activities other than in her capacity at TCG.

**Item 5: Additional Compensation**

A percentage of advisory fees is put into a bonus pool, a portion of which is allocated to the listed professionals.

**Item 6: Supervision**

**Supervisors:**

Steve Condon, President, (719) 228-1080

Steve.Condon@CentralBancorp.com

Our Investment Committee consists of all five of the individuals listed in Item 2. The Committee meets periodically to review investment performance and asset allocation.



# The Corundum Group

A Division of Central Bancorp

[TheCorundumGroup.com](http://TheCorundumGroup.com)