



**CUE Financial Group, Inc.**  
**An SEC Registered Investment Adviser**  
3200 N. Central Ave, Suite #200 • Phoenix, Arizona 85012

**Item 1      Cover Page**

**Part 2A of Form ADV: *Firm Brochure***

***CUE Financial Group Inc.***

3200 N. Central Avenue  
Suite 200  
Phoenix, Arizona 85012

Telephone: 602-252-0911

Email: [support@cuefinancial.com](mailto:support@cuefinancial.com)

Web Address: [www.cuefinancial.com](http://www.cuefinancial.com)

Date of Brochure as Last Revised: May 17, 2017

This brochure provides information about the qualifications and business practices of CUE Financial Group, Inc. If you have any questions about the contents of this brochure, please contact us using one of the methods above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about CUE Financial Group, 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. Our firm's IARD/CRD number is 21033.

© 2010 - 2017 The Consortium® as to portions of this software

## **Item 2**      **Material Changes**

The purpose of this section is to discuss only material changes since the last annual update of CUE's Investment Advisor Brochure.

The date of the last annual update was 5/23/2016.

### *Summary of Material Changes:*

- Due to Foothill Securities Inc. being acquired by Securities America, Inc., CUE is now affiliated with Securities America Inc., as its broker-dealer partner.
- CUE is no longer affiliated with Foothill Securities, Inc.
- Terminology changes in explanation of fees and proxy voting.
- Mutual Fund 12b1 fee rebate to Clients added.
- Item 15 Custody language updated to show no limited custody due to fee deduction.

### *Delivery:*

Within 120 days of our fiscal year end we will deliver our annual Summary of Material Changes if there have been material changes since the last annual updating amendment.

**Item 3            Table of Contents**

Item 1	Cover Page .....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents .....	3
Item 4	Advisory Business.....	4
Item 5	Fees and Compensation.....	7
Item 6	Performance-Based Fees and Side-By-Side Management.....	12
Item 7	Types of Clients and Account Minimums.....	12
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	12
Item 9	Disciplinary Information .....	16
Item 10	Other Financial Industry Activities and Affiliations .....	16
Item 11	Code of Ethics, Participation or Interest in Client Transactions, Personal Trading	16
Item 12	Brokerage Practices .....	17
Item 13	Review of Accounts and Reports on Accounts .....	18
Item 14	Client Referrals and Other Compensation.....	19
Item 15	Custody.....	19
Item 16	Investment Discretion.....	20
Item 17	Voting Client Securities.....	20
Item 18	Financial Information .....	20

## **ABOUT CUE**

CUE FINANCIAL GROUP, INC. ("CUE") is a SEC-registered investment adviser with its principal place of business located in Phoenix, Arizona. CUE was first formed in 1985 as a subsidiary of Sunwest Federal Credit Union, became a registered broker-dealer and was bought from Sunwest by its current owners in 1991. CUE began conducting business as a state registered investment adviser in 2001, and has been SEC registered since 2006. On August 9, 2009 CUE merged its broker/dealer business with Foothill Securities, Inc. broker/dealer. On December 9, 2016 CUE changed its broker/dealer affiliation from Foothill Securities Inc. to Securities America, Inc. broker/dealer following Securities America's acquisition of Foothill Securities Inc. CUE continues to operate independently as a registered investment adviser and licensed insurance agency.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- James E Sollenberger, CLU, ChFC. Jim is the founder, chairman, and an owner of CUE Financial Group, Inc. Born in 1947, he is a graduate of Arizona State University, and originally started CUE Financial Group as a subsidiary of Sunwest Federal Credit Union in 1985. After an extensive career with The Equitable he, along with Michael Melby and Judith Kuplic, purchased CUE Financial Group, Inc. and related subsidiaries from Sunwest in 1991.
- Michael R Melby, President/CEO/Chief Compliance Officer. Mike was born in 1955, and attended Arizona State University. Mike became an owner of CUE in 1991. He has had substantial prior experience as a registered representative with other brokerage firms and has previously served on Foothill Securities, Inc. board of directors.
- Judith A Kuplic, Executive Vice President. Judy was born in 1950, and graduated from the University of Minnesota with a background in marketing. Judy first joined CUE Financial Group, Inc. shortly after its formation in 1985, and became one of its owners in 1991. Her primary roles in the CUE Financial Group, Inc. organization are as marketing director and personnel manager.

## **AMOUNT OF MANAGED ASSETS**

As of 2/28/2017, we were actively managing \$342,286,372.00 of clients' assets on a discretionary basis plus \$76,476,283.00 of clients' assets on a non-discretionary basis.

## **ADVISORY SERVICES OFFERED BY CUE**

CUE's Investment Advisor Representatives ("IA Reps"), while affiliated with CUE and subject to CUE's oversight, manage their own practice, determine what services to offer, and set their own fee rates. Not all CUE IA Reps offer all of the described services. A personal Brochure Supplement that describes the IA Rep's own management style, background, services offered, and their fee schedule may be obtained from the IA Rep.

### **\* INVESTMENT SUPERVISION**

The CUE IA Rep may provide investment supervision by offering continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on either a discretionary or non-discretionary basis as agreed by both the client and the IA Rep at account opening. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer, investment company or insurance company, and will generally include advice regarding the following securities:

- Exchange-listed securities
- Equity options
- Securities traded over-the-counter
- Warrants
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Alternative Investments such as non-traded REIT's, Business Development Companies, and interests in partnerships investing in real estate

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

#### ***\* INDIVIDUAL PORTFOLIO MANAGEMENT***

The CUE IA Rep may provide portfolio management by offering non-continuous (periodic) monitoring of client investment accounts based on the individual needs of the client. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on either a discretionary or non-discretionary basis as agreed by both the client and the IA Rep at account opening. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, we review the portfolio periodically, and if necessary, rebalance the portfolio (or recommend rebalance for non-discretionary accounts).

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer, investment company or insurance company, and will generally include advice regarding the following securities:

- Exchange-listed securities
- Equity options
- Securities traded over-the-counter
- Warrants

- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Alternative Investments such as non-traded REIT's, Business Development Companies, and interests in partnerships investing in real estate

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

#### **\* SELECTION AND MONITORING OF THIRD-PARTY MONEY MANAGERS**

We also offer investment management services to our clients through unaffiliated Third-Party Money Managers who are registered investment advisers with whom CUE has written agreements.

The IA Rep recommends an asset allocation strategy developed through personal discussions with the client in which goals and objectives based on the client's particular circumstances are established. This asset allocation strategy may be drafted into a personal Investment Policy Statement ("IPS").

Based on the client's individual circumstances and needs (as exhibited in the IPS) we will then assist the client in identifying which Money Manager's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected Money Manager. Clients should refer to the selected Money Manager's Firm Brochure or other disclosure document for a full description of the services offered. We are available to meet with clients on a regular basis, or as determined by the client, to review the account.

Once we determine the most suitable Money Manager(s) for the client, we assist the client in completing and submitting the Money Manager's account setup documents. The Money Manager then creates and manages the client's portfolio based on the information given in the setup documents.

If it later becomes apparent that a selected Money Manager is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's stated goals and needs, we may suggest that the client contract with a different Money Manager and/or program sponsor. Under this scenario, our firm assists the client in selecting a new Money Manager and/or program. However, any move to a new Money Manager and/or program is solely at the discretion of the client.

**FTJ FundChoice:** FTJ FundChoice ("FTJ") is a Third Party Money Manager that offers investments in mutual funds, ETFs, and portfolio models created and managed by "Strategists" (other Third Party Money Managers) with whom FTJ has an agreement to create and manage portfolio models. Although the assets are placed in a model offered by FTJ, the CUE IA Rep will provide Investment Supervision or Individual Portfolio Management services in conjunction with this program. The client will complete account opening paperwork and agreements with FTJ, TDAmeritrade, and CUE. Included in the FTJ account opening paperwork is a description of FTJ's administrative fees, which vary by account size and program selected by the client. Fees charged by FTJ are in addition to management fees charged by CUE.

#### **\* FINANCIAL PLANNING**

We offer financial planning services. Clients may request that their IA Rep prepare a personalized, full (comprehensive) or partial (focused) Financial Plan. Financial planning is an evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, questions, information and analysis are considered as they impact and are impacted by the financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial

plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather information through in-depth personal interviews with the client. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report.

CUE will not provide accounting or legal advice nor prepare any accounting in implementing the recommendations contained in the financial plan. Client is urged to work closely with his/her attorney and accountant in implementing the recommendations contained in the financial plan.

We also offer general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

#### **\* CONSULTING**

Clients may also receive advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

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

#### **INVESTMENT SUPERVISION FEES**

Our independent IA Reps set their own fees for services they offer. IA Reps' fees are disclosed in their individual Brochure Supplement. Fees charged by IA Reps are negotiable, and are based upon a percentage of assets under management that generally range from 0.75% up to 2.00%, using the following breakpoint schedule as a guideline:

<b><u>If the account value is:</u></b>	<b><u>The Annualized Management Fee will be:</u></b>
\$ less than 250,000	up to 2.0% Plus Brokerage and Custodian's charges
\$ 250,000 to 499,999	up to 1.5% Plus Brokerage and Custodian's charges
\$ 500,000 to 999,999	up to 1.2% Plus Brokerage and Custodian's charges
\$1,000,000 +	up to 1.0% Plus Brokerage and Custodian's charges

Our firm reserves the right to impose certain minimum account size and/or minimum fee requirements. In most cases a minimum of \$50,000 of initial assets under management is required. The minimum fee is \$1,000 per year based on the stated minimum portfolio size. CUE reserves the right to waive the minimum account size and/or the minimum management fee. In instances where the minimum account

size is waived but not the minimum fee, the effective rate will be above the 2% published rate. Advisory services similar to those offered by this advisor may be found elsewhere at lower rates. Small accounts may also be better suited for non-advisory, traditional brokerage services through CUE's primary broker/dealer, (See Item 10). Certain related accounts may be grouped by the client for the purposes of achieving the minimum assets under management, and determining the annualized fee.

Payment of fees may be paid direct by the client, or client may authorize the custodian holding client funds and securities to deduct CUE Financial Group, Inc. advisory fees direct from the client account. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals for CUE Financial Group, Inc. advisory fees. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

***Limited Negotiability of Advisory Fees:*** Although CUE Financial Group Inc. has established the aforementioned fee schedule for Investment Supervision services, all fees are negotiated between the client and IA Representative on a case-by-case basis.

CUE retains the discretion to negotiate alternative fees on a case-by-case basis. The client's specific facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

## **INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

Our independent IA Reps set their own fees for services they offer. IA Reps' fees are disclosed in their individual Brochure Supplement. Fees charged by IA Reps are negotiable, and are based upon a percentage of assets under management that generally range from 0.75% up to 2.00%, using the following breakpoint schedule as a guideline:

<b><u>If the account value is:</u></b>	<b><u>The Annualized Management Fee will be:</u></b>
\$ less than 250,000	up to 2.0% Plus Brokerage and Custodian's charges
\$ 250,000 to 499,999	up to 1.5% Plus Brokerage and Custodian's charges
\$ 500,000 to 999,999	up to 1.2% Plus Brokerage and Custodian's charges
\$1,000,000 +	up to 1.0% Plus Brokerage and Custodian's charges

Our firm reserves the right to impose certain minimum account size and/or minimum fee requirements. In most cases a minimum of \$50,000 of initial assets under management is required. The minimum fee is \$1,000 per year based on the stated minimum portfolio size. CUE reserves the right to waive the minimum account size and/or the minimum management fee. In instances where the minimum account size is waived but not the minimum fee, the effective rate will be above the 2% published rate. Advisory services similar to those offered by this advisor may be found elsewhere at lower rates. Small accounts may also be better suited for non-advisory, traditional brokerage services through CUE's primary broker/dealer, (See Item 10). Certain related accounts may be grouped by the client for the purposes of achieving the minimum assets under management, and determining the annualized fee.

Payment of fees may be paid direct by the client, or client may authorize the custodian holding client funds and securities to deduct CUE Financial Group, Inc. advisory fees direct from the client account. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals for CUE Financial Group, Inc. advisory fees. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

***Limited Negotiability of Advisory Fees:*** Although CUE Financial Group Inc. has established the aforementioned fee schedule for Individual Portfolio Management, all fees are negotiated between the client and IA Representative on a case-by-case basis.

CUE retains the discretion to negotiate alternative fees on a case-by-case basis. The client's specific facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets;



related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

### **Billing Choices for Investment Supervision and Individual Portfolio Management**

The negotiated annual fee for Investment Supervision and Individual Portfolio Management services may be determined by one of three methods: a Fixed Fee, Variable Fee, or Blended Fee. Examples:

1. **FIXED (FLAT):** A Fixed or Flat annual management fee amount or a fixed annualized percentage rate which may be based upon the account size and complexity of management criteria is agreed on and set at account opening, and does not change during the life of the agreement unless amended in writing, regardless of fluctuations in the account value.
2. **VARIABLE (LINEAR):** A Variable or Linear annual management fee rate is determined initially according to the rate applicable to the beginning account value (refer to the above breakpoint schedules). If the account value falls above or below a breakpoint at the end of the billing period for any reason, such as market value fluctuations, deposits of funds or withdrawals, the annualized percentage rate would change accordingly. For example in an account with assets valued at \$400,000 at the end of the billing period, in our breakpoint table an annualized fee of 1.5% would be charged for the period on the full account value up to \$499,999. However, the annualized fee rate would be 1.2% of the entire account value if the account value was \$500,000 or higher at the end of the billing period.
3. **BLENDED (TIERED):** An example of a Blended or Tiered fee is when one percentage rate is applied only to the portion of the total account value that is below a breakpoint, and a different rate is applied to the portion or remainder of the account value that is above the breakpoint. For example in an account with assets valued at \$400,000, in our breakpoint table the first \$249,999 of the account's value would be subject to a 2% fee, and the remainder of the account value \$150,001 would be subject to a 1.5% fee. The "blended" annualized fee rate in this example would be approximately 1.787%.

Arrears fee billing: Management fees for accounts held at our primary custodian, Pershing LLC, are billed "in arrears", for the actual number of days in the quarterly billing period. Pershing's automated fee billing system keeps track of the daily account value for each day during the billing period, and calculates the *average daily account value* for the period. When calculating fees for each billing period, or partial billing period, the Pershing fee billing system uses the average daily value that it calculated for the previous quarter ("in arrears") to determine the fee amount to be charged to the client's account for that billing period. For new accounts the initial fee is not due until the start of the next calendar quarter following the account opening date. For new accounts and terminated accounts, fees are prorated for the number of days the account was open in the billing period. Fees are deducted from the account by Pershing and paid to CUE or, if previously agreed in writing, may be paid separately by the client.

Forward fee billing: Management fees for accounts held at a custodian other than our primary custodian, Pershing LLC, are billed "forward", or in advance, for the actual number of days in the new quarterly billing period. When calculating fees for each billing period, the fee for that period will be based on the closing account value on the last business day in the previous quarter. For new accounts the initial fee is due in advance, at account opening, and is based on the beginning value of the assets being placed in the account for management. For new accounts and terminated accounts, the fee will be prorated for the number of days the account was open in the billing period. If the custodian being used offers the ability to do so, fees may be deducted from the account by the custodian and paid to CUE. Otherwise, the client is invoiced for the fees due and the fees are paid by the client directly to CUE.

Custodian's Fees: Transaction fees and clearing charges, if any, will appear on the client's order confirmation as a nominal commission amount that will usually range from \$5 to \$25 for most types of trades. Transaction fees for fixed income securities, foreign securities and orders requiring special handling will generally be more. As of the date of this brochure Pershing LLC charges a confirmation fee which will appear as a service charge on each order confirmation. Pershing also charges a monthly paper statement fee that will appear on the client's quarterly account statement. The client may opt for

electronic delivery of Pershing account statements which will cause monthly paper statement fees to be waived. Custodian's administrative fees, if any, will be charged to the client's account. All custodian fees and charges will be in addition to the negotiated management fee, and will be the responsibility of the client.

### **THIRD-PARTY MONEY MANAGERS' FEES**

Fees charged by independent third-party Money Managers vary. CUE receives a portion of the Money Manager fee as disclosed in Item 14. Clients are provided with a separate disclosure document at the time of the referral describing the total fees paid and the amount of the referral fee paid to CUE.

Pursuant to the third-party Money Manager disclosure documents, Money Managers, including FTJ FundChoice accounts, will deduct their fees directly from the Client account and forward to CUE its portion of the fees.

### **FINANCIAL PLANNING FEES**

Our independent IA Reps set their own fee schedules, which are disclosed in the individual IA Rep's Brochure Supplement. All fees are agreed upon prior to entering into a contract with any client. The following information about fees for Financial Planning is disclosed only as a general guideline.

#### Single Fee Option

For most financial planning and related services, the fee for individual planning modules will range from \$150 - \$400. For a full plan the fee may range from \$1,000 - \$3,000. Fees charged for financial planning services are based upon the complexity of tasks and analyses performed. Additional charges at the IA Rep's hourly rate may be assessed for unusual or unforeseen tasks.

#### Hourly Rate Option

IA Reps' professional hourly rates typically range from \$100-\$300 per hour. Hourly administrative rates may be up to \$90 per hour.

#### Retainer Fee Option

Retainer fees may be fixed or based on portfolio size. Retainer fees for contracts of up to six months in duration may be prepaid in full. For contracts of at least six months duration and up to one year, fees will be due in regular installments as described in the agreement. Retainer fee agreements remain in effect for up to one year, and may be renewed at the end of each period.

Financial Planning fees are determined based on the nature of the services being provided and the complexity of each client's circumstances. We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will not exceed \$1200 for work that will not be completed within six months. The balance is due upon completion of the plan.

***Financial Planning Fee Offset:*** CUE Financial Group Inc. reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Investment Supervision or Individual Portfolio Management Services.

The client is billed quarterly in arrears based on actual hours accrued.

### **CONSULTING FEES**

Our independent IA Reps set their own fee schedules, which are disclosed in the individual IA Rep's Brochure Supplement. All fees are agreed upon prior to entering into a contract with any client. The following information about fees for Consulting Services is disclosed only as a general guideline.

For specialized Consultation and related services, IA Reps may offer the following fee payment options:

#### Single Fee Option

IA Reps' consultation fees are based upon the complexity of tasks and analyses performed. The minimum fee for a consultation is \$100 and may be higher depending on the nature of the consultation.

#### Hourly Rate Option

IA Reps' professional hourly rates range from \$100-\$300 per hour. Hourly administrative rates may be up to \$90 per hour.

#### Retainer Fee Option

Retainer fees may be fixed or based on portfolio size. Retainer fees for contracts of up to six months in duration may be prepaid in full. For contracts of at least six months duration and up to one year, fees will be due in regular installments as described in the agreement. Retainer fee agreements remain in effect for up to one year, and may be renewed at the end of each period.

Consulting Services fees may be charged as a percentage of assets being reviewed, generally following the fee table at the beginning of this section, depending on the nature and complexity of each client's circumstances, and upon mutual agreement with the client.

We may request a retainer upon completion of an initial interview with the client; however, advance payment will not exceed \$1200 for work that will not be completed within six months. The balance is due upon completion of the plan.

#### **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** Investment Supervision and Individual Portfolio Management will continue until either party terminates the management agreement upon giving the other party at least 15 days written notice. The Client account will be debited for the usual management fee, prorated for the number of days the account was open in the current calendar quarter. The client will also be responsible for promptly paying any and all brokerage or custodial charges, if any are incurred. Unearned prepaid fees (if any) will be refunded to the client on a pro rata basis for the number of days the account was open during the quarter.

Effective with the date of termination, CUE will no longer be the investment adviser of record, and will no longer have responsibility for management of the Assets. It will be the Client's responsibility to monitor the timely disposition of the account, and to take all future actions in regards to the management of the account.

For a Financial Plan or Consultation the Agreement terminates upon completion and delivery of services. At this time no refunds will be made, and Client will be invoiced for fees due. However, if the Agreement is terminated prior to completion of services, a refund of any unearned prepaid fees will be made, or an invoice for fees due will be prepared, based on time and effort expended before termination.

***Mutual Fund Fees:*** All fees paid to CUE Financial Group Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs 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. CUE will strive to recommend the lowest cost share class of a fund.

Effective January 1, 2017, Securities America, Inc., has implemented a procedure which will rebate any 12b1 fees paid by Client owned mutual funds directly back to the client account. Neither CUE nor its IA Reps receive any of these fees.

A client could invest in a mutual fund directly, without our 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 each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Alternative Investments:*** Clients accounts may hold investments in certain alternative products such as Variable Annuities, non-traded REITs, BDCs and/or an Arizona Residential Real Estate Fund managed by a related person. IA Reps in their dual capacity as registered representatives of a broker/dealer will receive a commission for the sale of alternative investment products. Alternative investment products for which we receive a commission are therefore excluded from the quarterly fee calculation.

***Additional Fees and Expenses:*** 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 an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (**Item**

12) of this Form ADV for additional information.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees. Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

**Grandfathering of Minimum Account Requirements:** Pre-existing advisory clients are subject to CUE's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

**ERISA Accounts:** CUE Financial Group Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and or individual retirement accounts (IRAs) under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things that CUE Financial Group Inc. may only charge fees that are reasonable with respect to the services performed.

Fees charged to ERISA and IRA accounts by CUE for Investment Management or Supervision will be within the guidelines described in Item 5. - Effective January 1, 2017 12b-1 or trailing fees received from mutual fund companies will be refunded to the client's account by Securities America, Inc. Unless otherwise arranged, Clients are responsible for the fees and expenses charged by custodians and imposed by broker dealers (i.e. Pershing LLC, the primary custodian/clearing broker), including, but not limited to, any transaction charges imposed by a broker dealer. Such transaction expenses generally range from \$5 to \$25 per order executed. Custodians also charge annual and other administrative fees directly to the account. All such fees will be in addition to CUE's management fee.

#### **ARBITRATION:**

The Advisory Agreement contains a pre-dispute arbitration clause. Client understands that the agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such a waiver would be void under the federal securities laws. Arbitration is final and binding on the parties.

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

CUE Financial Group Inc. does not charge performance-based fees which are based on capital gains in the client account. However, clients should understand that asset-based management fees will fluctuate with changes in the value of the assets in the account.

#### **Item 7 Types of Clients and Account Minimums**

CUE Financial Group Inc. provides advisory services to the following types of clients:

- Individuals, Family Trusts, Family Partnerships, (other than high net worth individuals)
- High net worth individuals
- Credit Unions
- Pension and profit sharing plans (other than plan participants)
- Corporations, charitable organizations, or other businesses not listed above

CUE reserves the right to impose certain minimum account size and/or minimum fee requirements, based on the nature of the service(s) to be provided. See details at Item 5 Fees and Compensation.

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

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

CUE IA Reps evaluate the client's current investments to determine whether they are consistent with his/her financial objectives. Then, utilizing generally accepted asset allocation and suitability factors, the IA Rep will propose a portfolio designed to help the client attain their objectives. We may use some or all of the following methods of analysis in formulating our investment advice and/or managing client assets:

**Asset Allocation:** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer

be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis:** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio.

See Investment Strategies section below for risks of mutual funds and ETFs.

**Third-Party Money Manager Analysis:** We consider the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We use a form of due-diligence questionnaire to obtain information when initially interviewing prospective third party money managers. We send each money manager a similar form on an annual basis.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

**Risks for all forms of analysis:** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, 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.

## INVESTMENT STRATEGIES

We may use any or all of 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:** We may purchase 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, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases:** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically less than a year). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are 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 as determined by current Federal and State tax laws.

**Trading:** We may purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

In addition to increased brokerage and other transaction-related costs and possibly less favorable tax consequences, aggressive trading carries a risk of loss due to the need to correctly time purchases and sales, especially in a fast moving market.

**Margin:** CUE and its IA Reps generally do not recommend margin as a trading strategy, and margin cannot be used as a strategy in certain account types such as UTMA/UGMA, IRA's or ERISA retirement plan accounts. If margin is called for, establishment of a margin account requires that the client receive and sign a "margin agreement" and "margin disclosure" document provided by the broker-dealer or custodian. Margin trading implies that the client "borrows" a portion of the purchase amount, and the securities are held as collateral for the loan.

**Check Writing:** If the client applies for check writing and/or debit card privileges, a margin account will be established by the clearing custodian for the purpose of using fully paid securities as collateral for overdrafts caused by debit card or check writing activity that exceeds the amount of available cash or money market funds.

Initial and maintenance margin equity requirements must be met. If the account equity declines too much, the client will receive a "margin call", possibly for the full amount of the margin loan, and will be required to increase account equity by deposit of additional collateral in the form of cash or marginable securities. Interest charges will be assessed by the custodian on margin loan balances. Advisory fees for margin accounts are billed on the net equity value of the account.

**Equity Securities:** Equity securities (stocks) are traded on one or more of the major stock exchanges, and sometimes are traded Over the Counter (OTC). One of the risks associated with investment in equities is market price fluctuation which can occur throughout the trading day. As with any investment security, there is a risk of partial or full loss of value.

**Mutual Funds and Exchange Traded Funds (ETF):** Mutual funds are purchased from and redeemed by the issuing fund company. Mutual funds invest in many individual securities and are managed by professional managers employed by the fund company. The price (NAV) of a mutual fund is determined after the close of the trading day, and does not fluctuate during the trading day. The value of the mutual fund is affected by the market prices of the securities that the fund holds in its portfolio. Mutual funds are sold by prospectus, and the client should refer to the prospectus for all details about the individual mutual fund.

ETF's, like equity securities, are traded on a major stock exchange and may be bought and sold during normal trading hours. The ETF market price may fluctuate during the trading day. ETF's consist of portfolios of underlying securities that track a specific market index or commodity, and are subject to the same market risks as their underlying indexes or sector they are designed to track. ETF's may be index funds, or they may be fully transparent actively managed funds.

In all securities investments, past performance does not guarantee future results. A fund manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a mutual fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund or ETF, which could make the holding(s) less suitable for the client's portfolio. As with any investment security there is a risk of partial or full loss of value.

**Fixed Income Securities:** Most fixed income securities (e.g. bonds) are traded Over the Counter. Some risks involved with investing in fixed income securities may include limited liquidity (the ready market for fixed income securities is often very small and therefore liquidity is often much more limited than for equities, ETF's, or mutual funds), interest rate risk (prices are affected by changes in prevailing interest rates), and risk of default as to either payment of interest, payment of principal or both (payment of interest and/or principal are subject to the issuing company's ability to pay). As with any investment security, there is a risk of partial or full loss of value.

**Unit Investment Trusts (UIT):** A UIT is made up of a fixed pool of securities. A newly issued UIT is purchased from the issuer and can be redeemed through the issuer. UIT's generally have a limited life span and "mature" on a predetermined date. Liquidity is limited during the life of the UIT. The value of a UIT is affected by changes in the value of the securities held in the UIT portfolio. UIT's are sold by prospectus, and the client should refer to the prospectus for all details about the individual UIT. As with any investment security there is a risk of partial or full loss of value.

**Variable Products:** We may recommend investment in variable products such as a variable annuity-based product issued by insurance companies. Clients may choose to invest in this product and their investment will be managed by the CUE IA Rep under an asset management agreement which will be

executed by the client and IA Rep upon account opening. The client and IA Rep choose a suitable portfolio made up of a selection of mutual funds, and based on the client's needs and objectives the IA Rep will manage the client's investment in this product on a discretionary basis. Compensation may be in the form of management fees or, in lieu of usual management fees the IA Rep, in their dual capacity as a registered representative of the primary broker/dealer, receives compensation in the form of a commission plus trailing commissions. Compensation will be disclosed in the issuer's account setup documents.

Variable products are subject to changes in the market value of the securities in their portfolio. Before investing, the client is encouraged to read the product's prospectus and sales material for complete details about the product's features, risks and expenses.

***Alternative Investments, Private Placements:*** Alternative Investments, including non-traded REITs, Business Development Companies, and Private Placements are recommended only for sophisticated investors if the product fits the client's stated financial situation, investment objectives, risk tolerance and time horizon. Alternative Investments and Private Placements often are high risk products, are illiquid in almost all cases, and generally offer a high dividend rate to the investor as an offset to the increased risk and illiquidity. There is increased risk of partial or full loss of value when investing in illiquid securities.

***Equity Options:*** We may recommend options on equities as an investment strategy. An option is a contract that gives the buyer the right to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two basic types of options are calls and puts:

- A call gives the holder the right to buy an asset at a certain price within a specific period of time. We may buy a call if we believe that the stock may increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. We may buy a put if we believe that the price of the stock may fall before the option expires.

We may use options to speculate on the possibility of a sharp price swing. We may also recommend options to "hedge" a purchase of the underlying security; in other words, we may recommend an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

When buying an option, the client risks losing the premium paid for the purchase.

We may use "covered calls", in which we write (sell) a call option on a security you own. In this strategy, you receive a fee (the premium) for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price (the strike price) before expiration.

When selling (writing) a covered option, the client risks being "assigned" and being forced to sell (in the case of a call) or buy (in the case of a put) the underlying security at the predetermined strike price, which could result in a loss.

(Please refer to the OCC's option disclosure booklet "Characteristics and Risks of Standardized Options" before investing in options).

## **RISK OF LOSS**

Because each of the above described types of strategies may involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Clients are under no obligation to invest in any of these strategies or to implement any advisory recommendations.

**All investment programs, including so-called "low risk" strategies, have certain risks that are borne by the investor. Investing in any securities involves a risk of loss of both income and principal. For those investments sold by prospectus, clients should read the prospectus in full. There is no guarantee that the investment strategy selected for the client will result in the client's goals being met. We ask that you work with us to help us understand your tolerance for risk. Clients shall at all times elect unilaterally to follow or ignore completely, or in part, any information, recommendation, or advice given by CUE or its IA Reps.**

## **Item 9                   Disciplinary Information**

While acting as a registered Broker/Dealer in 2007, CUE was fined by FINRA for failure to report to FINRA corporate bond trades, and for failing to report municipal bond trades within the mandatory 15 minute window, and for failing to have adequate written procedures in place for bond reporting. CUE voluntarily withdrew as a Broker/Dealer in 2009.

## **Item 10               Other Financial Industry Activities and Affiliations**

***Conflicts of Interest:*** As disclosed below in detail, IA Reps are affiliated with other entities in multiple capacities. In their separate capacity(ies), these individuals are able to implement investments, insurance, and other services for commissions or fees. Thus, a conflict of interest exists between our interests and those of advisory clients. Clients are not under any obligation to engage these individuals or entities when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

***Broker-Dealer Affiliations:*** Management personnel and IA Representatives of CUE Financial Group Inc. are separately licensed as registered representatives of Securities America, Inc., a registered broker/dealer, member of FINRA and SIPC. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

***Financial Institutions:*** CUE has entered into contractual arrangements with certain financial institutions (e.g., credit unions, banks) whereby CUE offers services in the form of investment advisory and insurance products to the institutions' membership. Through these relationships some IA Representatives of CUE may also be employees of the financial institutions. In exchange, the financial institutions may receive a portion of all commission and fee income in accordance with an SEC no-action letter.

***Insurance Agency:*** CUE Financial Group, Inc. is a licensed general insurance agency, and has contractual agreements with various insurance companies for the sale of their products. Management and related personnel of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients.

***Outside Business Activities:*** Some of CUE's IA Reps may be independently licensed as public accountants, insurance agents, mortgage brokers, real estate agents or enrolled agents. They may operate outside business practices through which they offer services such as insurance products, public accounting, tax preparation or other services that are not offered by or provided under the auspices of CUE Financial Group Inc. CUE does not own, control, supervise, participate in, nor receive any compensation for such services.

***Management of Private Placements by a related person:*** Scott M. Hanish ("Hanish") is an IA Representative of CUE Financial Group Inc. Independent of his relationship with CUE, Hanish is the owner-manager of Hanish Business Ventures, LLC, a company formed to create and package alternative investment vehicles such as Private Placements, LLC's and Limited Partnerships, hereinafter referred to as "entities", for investment purposes. Hanish Business Ventures, LLC acts as a managing member of these entities.

CUE is not affiliated with Hanish Business Ventures, LLC or with the entities in any ownership, advisory or management capacity. CUE does not advise the entities or their managers. Activities of the entities will be controlled only by the managers of the entities, and the entities will not be controlled in any way by or through CUE.

Advisory clients of our firm may be approached to invest in these entities; however, because investment in these types of entities may involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

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

***Code of Ethics:*** Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that our employees have committed to, including compliance with applicable federal securities laws. CUE Financial Group Inc. and our 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.

A copy of our Code of Ethics is available upon request to our advisory clients and prospective clients. You may request a copy via the contact information on the cover page and ask for the Compliance Department.

***Participation or Interest in Client Transactions:*** Generally the IA Reps do not recommend the purchase of securities that are sponsored by CUE affiliated companies. As disclosed in the preceding section of this brochure (**Item 10**), a related person of our firm acts as general partner to an investment-related limited partnership, or managing member to an investment-related limited liability company in which advisory clients may be approached to invest only when the recommendation is suitable for the client, and meets their investment objectives. Clients are not obligated to purchase these investments.

***Personal Trading:*** At times CUE and/or its IA Reps may take positions in the same securities as clients, and we will try to avoid conflicts with clients. The firm and its IA Reps will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Scalping (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

## **Item 12 Brokerage Practices**

### **RECOMMENDATION OF BROKER-DEALERS AND CUSTODIANS**

CUE will generally maintain an existing relationship with a non-affiliated broker/dealer firm when the client is referred to CUE. In maintaining the existing broker/dealer relationship, a conflict of interest may exist in obtaining best execution by CUE on behalf of the client. A conflict of interest may exist in obtaining future referrals from a broker/dealer if CUE did not maintain these existing relationships. Where the client is not referred by an existing broker/dealer and/or the client does not otherwise designate a broker/dealer, CUE recommends a broker/dealer with competitive commission rates.

IA Reps of CUE are registered representatives of Securities America, Inc. If our clients freely choose to implement our advice through us, the primary broker/dealer used will be Securities America, and an account in the client's name will be established with Securities America. Securities America maintains existing clearing and custodial relationship with Pershing LLC ("Pershing") where all CUE Client accounts are currently custodied. Client trade orders will be submitted to the clearing custodian for processing and execution. Pershing will be the primary custodian for assets held in our clients' accounts.

Contact Information for Broker-Dealer and Custodians:

#### **Primary Broker-Dealer:**

Securities America, Inc., 12325 Port Grace Blvd, La Vista, NE 68128 Phone: (800)-747-6111

#### **Primary Custodian/Clearing Firm:**

Pershing LLC, One Pershing Plaza, Jersey City, NJ 07399 Phone: (888)367-2563

#### **Custodian/Clearing Firm for FTJ FundChoice**

If client selects the FTJ FundChoice (third party money manager) service, the Dealer of record is FTJ FundChoice, LLC, 2300 Litton Ln, Ste 102, Hebron, KY 41048. Phone: (859)426-2003

The custodian is TD Ameritrade Institutional, 4211 South 102<sup>nd</sup> St, Omaha, NE 68127.  
Phone: (800)934-6124

#### **Alternate Custodian/Clearing Firm:**

In circumstances where Pershing cannot be used as the custodian, CUE or the IA Rep may recommend the services of an alternate custodian/clearing firm. The alternate firm will be approved by CUE. Clients will be provided with the firm's address and phone number upon entering into an advisory agreement with CUE.

## **CLIENT DIRECTED BROKERAGE**

Client may direct brokerage to a specified broker-dealer other than the firm recommended by CUE. It is up to the client to negotiate the commission rate, as CUE will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker/dealer used by CUE. In client directed brokerage arrangements, the client may not be able to participate in aggregated ("blocked") trades, which may help reduce the cost of execution.

## **SOFT DOLLAR ARRANGEMENTS**

CUE Financial Group Inc. does not have any soft-dollar arrangements, and does not receive any soft-dollar benefits.

## **BLOCK TRADING**

While individual client advice is provided each account, client trades may be executed as a block trade. The Advisor encourages its existing and new clients to use the Advisor's "lead custodian." Only accounts in the custody of the lead custodian would have the opportunity to participate in aggregated securities transactions. All trades using the lead custodian will be aggregated and done in the name of the Advisor. The executing broker will be informed that the trades are for the account of the Advisor's clients and not for the Advisor itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and the Advisor will not aggregate a client's order if in a particular instance the Advisor believes that aggregation would cause the client's cost of execution to be increased. The Custodian will be notified of the amount of each trade for each account. The Advisor and/or its IA Reps may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only if clients receive fair and equitable treatment.

## **Item 13 Review of Accounts and Reports on Accounts**

### **INVESTMENT SUPERVISION**

**Reviews:** The client's IA Rep monitors the individual investments each day the market is open. Portfolio performance is reviewed on a quarterly basis at a minimum. The IA Rep offers clients an in-person portfolio review meeting on an annual basis. Compliance staff periodically performs supervisory reviews.

**Reports:** CUE expects that trade confirmations and periodic account statements will be provided directly to the Client by the clearing firm/custodian that at minimum will reflect balances, transactions, deposits, and withdrawals including fee withdrawals. In addition to the statements and confirmations of transactions that clients receive from the clearing firm/custodian, we offer periodic reports summarizing account performance, balances and holdings.

### **INDIVIDUAL PORTFOLIO MANAGEMENT SERVICES**

**Reviews:** The client's IA Rep reviews the portfolio and asset allocation at a minimum once per quarter. Market conditions that might cause a wide variance in the specified asset allocation, or other factors could cause a more frequent review. Compliance staff periodically performs supervisory reviews.

**Reports:** CUE expects that trade confirmations and periodic account statements will be provided directly to the Client by the clearing firm/custodian that at minimum will reflect balances, transactions, deposits, and withdrawals including fee withdrawals. In addition to the statements and confirmations of transactions that clients receive from the clearing firm/custodian, we offer periodic reports summarizing account performance, balances and holdings.

### **THIRD-PARTY MONEY MANAGERS**

**Reviews:** These clients should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment adviser.

**Reports:** These clients should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent registered investment adviser.

CUE Financial Group Inc. does not typically provide reports in addition to those provided by the independent registered investment adviser selected to manage the client's assets.

### **FINANCIAL PLANNING 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 Financial Planning clients unless otherwise contracted for.

**Reports:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

## **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.

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

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

### **REFERRAL FEES PAID**

CUE Financial Group Inc. currently does not compensate persons for referring clients to our firm.

### **REFERRAL FEES RECEIVED**

We may recommend to our clients the services of various third-party Money Managers. In exchange for this recommendation, we receive a referral fee from the selected Money Managers. The fee received by us is typically a portion of the total management fee charged by that Money Manager to the referred client. The portion of the Money Manager's fee that is paid to us does not increase the total management fee charged by the Money Manager. We do not charge the client any fees for these referrals. We will only recommend Money Managers that pay us a referral fee.

We are aware of the special considerations required under Rule 206(4)-3 of the Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made, and all applicable Federal and State laws will be observed.

### **OTHER COMPENSATION SALES AWARDS**

It is CUE Financial Group Inc.'s policy not to offer incentive awards to our IA Reps for recommending specific products or types of products. Occasionally an outside sponsor such as an insurance company or investment company may offer our IA Reps such an award to recognize their sales achievements. CUE discourages our IA Reps from accepting such awards, and/or requires all such award offers to be reported to and pre-approved by the Chief Compliance Officer. While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of our IA Reps receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

## **Item 15 Custody**

**Client Assets:** Clients assets are held in accounts maintained at a third party independent qualified custodian. As such, CUE does not have direct custody over Client assets.

**Fee Deduction:** Clients can choose to pay CUE Financial Group, Inc. advisory fees directly from their accounts. When a Client selects this method, Client will authorize CUE to provide the custodian with the Client's fee schedule information from the investment advisory agreement. The custodian will calculate all advisory fee amounts for CUE. Client will authorize the custodian to deduct CUE's advisory fees directly from Client's accounts. Because CUE does not have any the ability to deduct its advisory fees from Client's accounts, CUE does not have custody over client assets.

The custodian will provide periodic account statements to Clients. Such statements will reflect all fee withdrawals for CUE Financial Group, Inc. advisory fees. It is the Client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated. Clients should contact us directly if they believe that there may be an error in their statement.

**You are urged to compare periodic reports you receive from CUE with the official account statements you receive from the Custodian. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.**

**Custody by a related person:** Scott M. Hanish ("Hanish") is an IA Representative of CUE Financial Group Inc. Independent of his relationship with CUE, Hanish is the owner of Hanish Business Ventures, LLC, a company formed to create and package alternative investment vehicles such as Private Placements, LLC's and limited partnerships, hereinafter referred to as "entities", for investment purposes. Hanish Business Ventures, LLC acts as a managing member of these entities.

CUE is not affiliated with the entities in any ownership, advisory or management capacity. CUE does not advise the entities or their managers. Activities of the entities will be controlled only by the managers of the entities, and the entities will not be controlled in any way by or through CUE.

Clients of CUE may be solicited to invest in the entities. When a client chooses to invest in the entities, their funds will initially be deposited in a bank account controlled by the managers of the entities. As a result of his position as both a CUE IA Rep, and a manager of the entities, Hanish may be deemed to have custody of client assets when those assets are invested in these or other products in which Hanish acts as owner, manager or director.

#### **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services under a limited power of attorney, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give the IA Representative discretionary authority when they sign a discretionary services agreement with our firm, or when they so indicate when completing third-party applications for variable products, alternative investment products, or other direct application products. Clients may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

#### **Item 17 Voting Client Securities**

It is the Client's responsibility to vote proxies for securities held in the portfolio. Neither CUE nor its agents shall have the power or duty to vote any proxies with respect to any securities held by Client, and will not advise or act for Client in any legal proceedings including bankruptcies or class actions, involving securities held by Client.

Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain 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. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

#### **Item 18 Financial Information**

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years. CUE does not have any disclosure items in this section.