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# Investment Advisory Services

from

## **CRI Securities, LLC**

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St. Paul, MN 55101-2098  
1-800-820-4205



### **Client Disclosure Brochure**

(contains the information required by Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of CRI Securities, LLC. If you have any questions about the contents of this brochure, please contact us at 1-800-820-4205. 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. Additional information about CRI Securities, LLC is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). "Registration" or being "registered" with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

December 21, 2012

## ITEM 2: SUMMARY OF MATERIAL CHANGES

The last annual update CRI Securities, LLC ("CRI") Client Disclosure Brochure was March 31, 2012. Since that time, the following material changes have occurred:

- SEI Investments Management Corporation has entered into an agreement with Securian Financial Services, Inc., CRI's affiliate, to make marketing support payments to Securian relating to gross contributions to SEI investment advisory accounts attributable to CRI and assets held by SEI attributable to CRI. For more information, see Item 10(C)(iii).

CRI will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of CRI's fiscal year. CRI may further provide other ongoing disclosure information about material changes as necessary.

CRI will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, CRI's Brochure may be requested by contacting CRI's Service Center at 1-800-820-4205.

Additional information about CRI is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with SFS who are registered, or are required to be registered, as investment adviser representatives of CRI.

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## ITEM 4: ADVISORY BUSINESS

### Item 4(A) About CRI

CRI Securities, LLC (“we”, “our”, “us”, “CRI”) is registered with the United States Securities and Exchange Commission (“SEC”) as both an investment advisor and a securities broker-dealer. “Registration” or being “registered” with the SEC does not imply a certain level of skill or training. We are a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

We have been in the investment advisory business since 2003, and we provide investment advisory and brokerage services to a variety of clients all over the United States, including individuals, businesses, and retirement plans. Clients may simultaneously receive both investment advisory and brokerage services from us. Our investment advisory products and services are provided through our investment advisor representatives (“financial advisors”), some of whom may also identify themselves as financial planners, financial consultants, or by some similar designation. All of our financial advisors are also registered representatives of ours (i.e., registered with FINRA to sell securities), licensed as insurance agents for Minnesota Life Insurance Company (an affiliate of ours, see Item 10, “Other Financial Industry Activities and Affiliations”), and they must meet at least one of the following requirements:

- Qualify as a Chartered Financial Analyst (CFA), CERTIFIED FINANCIAL PLANNER™ (CFP®), or Chartered Financial Consultant (ChFC);
- Pass the North American Securities Administrator's Association's (“NASAA”) Uniform Investment Adviser Law Examination (Series 65) or the NASAA Uniform Combined State Law Examination (Series 66); or
- Otherwise meet state and firm registration requirements.

Individual financial advisors may also be licensed as insurance agents for other insurance companies, and, are also affiliated with another of our affiliates, Securian Financial Services, Inc., which is also registered as both an investment advisor and broker-dealer (See Item 10, “Other Financial Industry Activities and Affiliations”).

In addition to the investment advisory services and programs described in this document, we sponsor a wrap fee investment advisory program called CRI Spectrum Advisor, and it is described in its own separate wrap fee program brochure.

As of September 30, 2012, the client assets we manage on a non-discretionary basis amounted to \$401,315,549, and the client assets we manage on a discretionary basis amounted to \$200,364,699.

Fifty percent of CRI's voting securities are owned by Enterprise Holding Corporation, a corporation organized for the purpose of holding subsidiary corporations. Enterprise holding corporation is wholly owned by Minnesota Life Insurance Company, a wholly owned subsidiary of Securian Financial Group, Inc., and an indirect subsidiary of a mutual insurance holding company called Minnesota Mutual Companies, Inc. Minnesota Life, Advantus Capital Management, Inc. (“Advantus Capital”), an affiliated investment advisor, and Securian Financial Services, Inc., an affiliated broker-dealer and investment advisor, are also wholly owned subsidiaries of Securian Financial Group, Inc. The other 50% of CRI's voting securities are owned by Philip C. Richards, who is also the principal owner of an insurance agency named North Star Consultants, Inc. (see Item 10, “Other Financial Industry Activities and Affiliations”).

## **Item 4(B) Financial and Business Planning Services**

### **4(B)(i) Individual Financial Planning**

We provide financial planning services primarily to individuals, but also to businesses. Financial planning involves a variety of services, principally advisory in nature, regarding the management of financial resources based upon your needs and objectives.

Your financial advisor will (i) conduct an initial interview to determine your concerns and planning needs, (ii) assist you in selecting the specific financial planning services needed, (iii) negotiate an appropriate fee for such services, (iv) schedule additional consultations to discuss your needs and objectives, (v) gather, review and analyze relevant information and (vi) summarize your situation and make general written recommendations to address your concerns and objectives. You may elect to receive either “comprehensive” or “specialized” planning services. The analyses and recommendations prepared in connection with the comprehensive financial planning program will seek to address the following: financial position, investment planning, tax strategies (see “Taxes” in Item 4(D)), protection planning, retirement planning, and estate planning. With specialized planning services, you elect which of the previously described services you wish to receive. Your financial advisor will work with you to determine which services best meet your needs.

### **4(B)(ii) Business Planning**

We provide business planning services designed to help business owners achieve their business planning goals, including succession planning, and nonqualified benefits. You may elect to receive comprehensive business planning services covering two or more planning areas or you may elect specialized business planning services covering only one such area. In either case, we provide different versions of business planning services which vary depending on the lifecycle stage you select for your business (start up, growth or established).

As a part of the business planning services, we also provide estimated business valuations intended solely for the limited purpose of developing general business planning strategies for your business. The estimated valuation should never be used to determine the sale price of a business, to calculate estate or other taxes, or for any other purpose requiring a precise valuation or a valuation that will have binding legal effect.

The business planning services described in this brochure, including estimated business valuations, are provided by CRI and by your financial advisor acting as CRI’s investment adviser representative. If an estimated business valuation is included in the business planning services, CRI and its investment adviser representative will use software developed by Minnesota Life Insurance Company (“Minnesota Life”) to determine the estimated business valuation. You will be charged a fee by CRI for all such services, including any estimated business valuation, as described in Item 5(B).

In addition to serving as CRI’s investment adviser representative, your financial advisor is also an insurance agent appointed by Minnesota Life. Your financial advisor, acting as an insurance agent for Minnesota Life, has the option to use Minnesota Life’s business valuation software to provide an estimated business valuation at no cost. In such a case, neither the estimated business valuation, nor any other business planning service, is provided by CRI. If you receive an estimated business valuation at no cost, it is provided to you by your financial advisor acting solely in the advisor’s capacity as an insurance agent for Minnesota Life. Ask your financial advisor for details.

### **4(B)(iii) Financial and Business Planning - General**

Analyses and recommendations will be based on information submitted by you, the financial advisor’s personal interviews with you, economic and tax considerations (see “Taxes” in Item 4(D)), and your personal circumstances. We do not provide legal advice or document preparation as part of financial or business planning services, nor do any of the fees charged for financial or business planning services constitute a fee charged for the placement of insurance.

Financial and business plans typically include various recommendations and planning strategies for you and your assets which may include recommendations to allocate your assets among generic product or account types. Typically a financial or business plan does not include recommendations to buy, sell, or hold specific investments or securities or recommendations to utilize specific investment accounts for purposes of implementing the plan. However, from time-to-time, as a “specialized” service, we may provide recommendations to allocate assets in a qualified plan account amongst the options made available by the qualified plan, provided Securian is not the broker-dealer or investment adviser of record for the plan in question.

Financial planning services will include various recommendations and planning strategies, depending on the nature of the financial planning services selected. These may include recommendations to allocate your assets among generic product or account types. **The financial planning services do not include recommendations, however, to buy or invest in specific products or accounts through CRI for purposes of implementing a financial plan.** Implementation of financial planning recommendations is your responsibility. The actions necessary to implement a financial planning recommendation, including the development of specific implementation recommendations, are not included in financial planning services, nor are the costs of such implementation included in the fees charged to you.

In addition to being a registered investment advisor, CRI is separately registered as a securities broker-dealer, and the financial advisor, in addition to being CRI’s investment advisor representative, is also a registered representative authorized to provide securities brokerage services through CRI and an insurance agent licensed with one or more insurance companies. In those capacities, and separate from the financial planning services, the financial advisor may offer to help you implement one or more financial planning recommendations included with the financial planning services.

If you accept the financial advisor’s offer to assist with implementation of the financial plan, the financial advisor may make additional recommendations to invest in specific products or accounts or to purchase additional investment advisory services, but any such recommendations will be limited to those products, accounts and services that CRI has authorized the financial advisor to sell. For information about which products and services the financial advisor is authorized to sell on CRI’s behalf, please contact CRI at the telephone number on the first page of this Client Disclosure Brochure. **You are under no obligation, however, to employ the financial advisor or CRI to implement the financial plan, or to purchase any investment or insurance product or other advisory service from CRI or the financial advisor in connection with the implementation of recommendations made in connection with the financial planning services.**

In circumstances where the financial advisor makes separate recommendations to implement a financial plan, the opportunity for the financial advisor and CRI (or its affiliates) to receive additional compensation as a result of such recommendations may create a conflict between your interests and those of CRI or the financial advisor (see Item 10(C), “Conflicts of Interest”). In addition, if you separately purchase a product or service recommended by the financial advisor in order to implement a financial planning recommendation, you may be charged commissions or fees in connection with those transactions and services that are separate from and in addition to the fees charged by CRI. Our obligations to you when we are acting as a broker-dealer differ from our obligations to you when we are acting as an investment advisor. Your financial advisor’s obligations when acting as an insurance agent for you or providing securities brokerage services to you differ from your financial advisor’s obligations to you when your financial advisor is acting as an investment advisor representative.

*Requirements.* In order to receive financial or business planning services, you will be required to execute a planning services agreement with us. Such agreement will have a term of 12 months unless you elect to have the agreement automatically renew at the end of each 12 month period.

*Termination.* Delivery of your final financial or business plan automatically terminates your planning services agreement, unless you have elected to receive annually renewing services. Your planning services agreement may also be terminated by you upon written notice to us or by us upon written notice to you. If you have elected to

receive annually renewing services, your failure to pay the fee for a subsequent annual term automatically terminates your planning services agreement with us.

The termination or expiration of your planning service agreement with us also results in the termination of the investment advisory relationship that exists between you and us in connection with that agreement. This means we and our financial advisors will no longer owe you any duties in connection with your planning services agreement even if you receive securities brokerage or other services from us.

#### **Item 4(C) Seminar and Educational Services**

We present financial and investment-related seminars to help educate the public. The seminar materials are selected by us, and are sometimes prepared by us, but are prepared primarily by unaffiliated publishers and distributors of investment seminar program materials; we will, however, sometimes use materials prepared by our affiliated businesses. These materials provide investment-related information which is intended to be educational in nature and to provide seminar participants with information regarding certain investment-related topics. The information contained in the seminar materials is not intended as specific investment advice and does not purport to meet the investment objectives or needs of specific individuals or accounts.

An individual who attends a seminar is our client for purposes of the seminar only, and does not continue to be our client following completion of the seminar unless we subsequently provide additional investment advisory services to the same individual.

We also provide various services to employers or other organizations designed to help educate such organizations, or their employees or members, on general investment or financial issues. These services are educational in nature and are not intended as specific investment advice, nor do such services purport to meet the investment objectives or needs of specific individuals or accounts. The recipients of such services are our client for purposes of the services only, and do not continue to be our client following completion of the services unless we subsequently provide additional investment advisory services to the same recipient.

*Termination.* Our investment advisory relationship with an individual who attends a seminar or receives educational services ends at the end of the seminar or presentation of educational services, unless that individual subsequently retains us for other investment advisory services.

#### **Item 4(D) Current Investment Management Services**

In addition to the services described above, CRI, on a non-discretionary basis, makes available various programs that provide asset allocation services, recommendations for the purchase and sale of individual securities, and/or access to one or more investment management firms. In some programs, on a case-by-case basis, certain limited discretion may be granted (See Item 16, "Investment Discretion" for more information). Some of these asset allocation services involve the use of model asset allocation portfolios which diversify your assets among asset classes and styles using either mutual funds or individual securities. Each of the model portfolios employed in these programs represents a different asset allocation strategy. Depending on the program, the models may be developed by us or by another manager. Customized models may also be recommended. With some programs, we first develop an allocation strategy consistent with your investment objective and then recommend one or more investment management firms to manage individual securities consistent with your allocation strategy. In all cases, your account is invested in accordance with the strategy you choose.

We currently provide several investment management programs. Your financial advisor will usually provide a recommendation to assist you in selecting a program appropriate for you. Information that is applicable to all of our programs is set forth in this introductory portion of Item 4(D). For information specific to each program, see the program specific information provided below.



*General Services.* We will assist you in reviewing one or more of our investment management programs, their terms and conditions, and the options thereunder. We will collect certain financial information from you; review your investment objective, investment time horizon, and risk profile; and recommend a program and allocation strategy appropriate for you. However, you are solely responsible for selecting a program and allocation strategy appropriate for you.

*Program Availability.* The CRI Asset Allocation program is available from other advisors (although possibly under different program names), possibly at a lower fee than that charged by us. The services of some of the investment managers available through our programs are available directly without payment of investment management fees to us.

*Securities Availability.* The securities available through our programs are available from other advisors, possibly at a lower fee than charged by us, and many are available directly without the payment of any investment management fees.

*Confirmations, Statements, & Performance Reports.* You will be provided confirmations of all of the transactions that occur in your account, statements at least quarterly showing all activity in your account, and quarterly performance reports for your account. Confirmations and statements are not provided by us and are generally provided by the custodian of your account. Performance reports are generally provided by the sponsor of the program.

*Account Review.* We will review your account with you at least once each year to determine whether the assets in your account are allocated consistently with the allocation strategy you selected. The review covers such things as changes in the value of your account, the success of your allocation strategy in meeting your investment needs and objectives, whether any material changes have taken place in your financial circumstances or investment objectives, and any recommendations we make with respect to your account(s). We will also be available on an ongoing basis to discuss any changes which may have occurred in your circumstances or investment objective.

*Changes In Your Situation or Objectives.* It is your responsibility to advise us or your financial advisor if there have been any changes in your situation or investment objectives, or any other changes, that would affect the manner in which your account should be managed.

*Taxes.* Any recommendations or information we provide regarding tax strategies are based upon general tax principles, and we make no warranty that any such strategy will be effective in your particular situation. Such recommendations or information are not intended for, nor can they be used by any taxpayer for the purpose of avoiding federal tax penalties. This information is provided solely to support the promotion or marketing of ideas that may benefit a taxpayer. We are not responsible for any adverse tax consequences of purchases or sales of securities in your account(s), whether such transactions are related to rebalancing of your account, maintaining your account in accordance with a model portfolio, the payment of our or other parties' fees, liquidation of your account, or otherwise, including any penalties on early withdrawals from retirement accounts. You should consult your tax professional regarding all such matters.

*No Responsibility for Third Parties.* We are not responsible for any third party's actions, inactions, performance, or compliance with law. Third parties include, but are not limited to, sponsors or co-sponsors of the programs described below, portfolio managers, investment managers, sub-managers, custodians, executing brokers, etc.

*Additions and Withdrawals.* You may generally add or withdraw assets from any of our programs at any time (see "Taxes" in Item 4(D)), subject to legal requirements (such as in the case of retirement accounts). For the impact of additions and withdrawals on the calculation of our investment management fee, please see the description for each program below and all other documents related to your account.

*Aggregation of Transactions.* We, and/or the third parties involved in executing transactions for each program, may, but are not required to, aggregate orders for the sale or purchase of securities with orders for the same

security for other clients. Aggregated orders will generally be filled at an average price, with a pro-rata share of transaction costs. On occasion, an aggregated order will not be fully executed, and any partial execution of such an order will be allocated amongst the clients involved as determined by the relevant party executing the order in accordance with applicable law.

*Agency Cross Transactions.* “Agency cross transactions” are transactions where one party acts as the broker for both the buyer and the seller. We do not engage in agency cross transactions, however transactions are executed by third parties in most of our programs. Those third parties involved in executing transactions, may effect “agency cross” transactions and receive compensation from each party to the transaction.

*Advice to Other Clients May Differ.* We provide investment advisory and/or brokerage services to other clients and may give different advice, or take different action for, any other client than the advice we give you or the actions we take for you. We and our affiliates (and their respective partners, directors, officers, agents and employees) may buy, sell, or trade securities for their own accounts and such actions may differ from the actions we take for you.

*Proxies and Legal Notices.* We will not vote proxies, consents, waivers, or other corporate actions with respect to the securities held in your account(s). With respect to some of our programs, you may be able to grant discretion regarding some or all of these matters to one or more third parties that are involved in such programs. For more information please see your investment management agreement(s), custodial or brokerage agreement(s), other documentation related to each program, or contact your financial advisor or us (see Item 20(B) “How to Contact Us”). Also, we are not obligated to take any action or render any advice with respect to securities held in your account(s) which become subject to legal notices or proceedings, including bankruptcy proceedings.

*Cash Balances.* Unless otherwise directed by you, cash balances in your account are subject to periodic sweeps into short-term investment vehicles which may be selected by you, the program sponsor, custodians, and/or portfolio managers.

*Payment of Fees.* Our investment management fees will generally be paid first out of cash balances, then from the liquidation or withdrawal of shares of any money market funds or balances in any money market account, and, to the extent such assets are insufficient to satisfy payment of the fee, from the sale and liquidation of other assets in your account.

*Margin Account Interest.* In certain of the programs, you may also open a brokerage account with us or with another broker-dealer. You will be charged interest on any margin loans in which you engage in any of our programs.

*Other Costs.* You will be responsible for any and all fees related to the transfer or liquidation of your assets as well as all costs related to any brokerage or other account in which the assets are maintained after the termination of your account, including, but not limited to: (i) commissions or other charges imposed by broker-dealers or other entities for executing and/or clearing transactions; (ii) transaction fees (e.g. sales loads or deferred sales charges) related to investments in collective investment vehicles (e.g. mutual funds); (iii) dealer markups or markdowns; (iv) costs relating to trading in foreign securities; (v) expenses charged by a retirement plan, (vi) costs related to individual retirement accounts; (vii) charges imposed by law; and (viii) custodial fees. Therefore, you should carefully review all the documents related to your account for a full description of any such fees. You should consult your tax professional regarding any tax consequences related to the liquidation of your account (see “Taxes” in Item 4(D)).

*Termination.* The investment management programs that we currently offer may be terminated by you or us with 30 days’ notice.

#### 4(D)(i) CRI Asset Allocation Program<sup>1</sup>

**Description.** This is a mutual fund asset allocation program that offers various model investment portfolios comprised of SEI mutual funds. The mutual funds available under this program are managed by SEI Investment Management Corporation or its affiliates (“SIMCO” or “SEI”). SIMCO also develops and maintains the model investment portfolios, which may include periodic adjustments of the target allocations among the SEI funds in a model, or the addition or subtraction of SEI funds from a model (when SIMCO recommends changes to the composition of model investment portfolios clients must provide approval in order to implement SIMCO’s recommended changes). SIMCO and its affiliates are a global provider of outsourced asset management, investment processing, and investment operations solutions. See <http://www.sei.com> for more information (CRI makes no representations as to the completeness or accuracy of such materials).

SEI’s mutual funds are institutional funds that are not available for purchase by the general public except through an investment management program such as ours. SIMCO will not provide you investment advice or supervise or monitor trading activity in your account. See SIMCO’s separate brochure for more information about SIMCO’s services and model portfolios (CRI makes no representations as to the completeness or accuracy of such materials).

In this program, we assist you in determining the suitability of the program and then in selecting a model portfolio and opening a custodial account with a trust company affiliated with SIMCO (“SEI Trust”). We also assist you in communicating to SEI Trust the model portfolio selected by you. We provide ongoing account monitoring and allocation advice, including client communication or consultation at least annually, as part of our services under this program.

#### *Account Requirements*

**Agreements.** In order to participate in this program, you will be required to sign an investment management agreement with us, and a custody agreement with SEI Trust.

**Brokerage.** You will direct us to place all purchase, sale, and exchange orders relating to your account with SEI Trust for execution.

**Custody.** SEI Trust also provides usual and customary custodial and certain administrative services in connection with the operation of this program. All your cash, securities, and other assets in your account will remain in your or SEI Trust’s custody. We will not receive or retain custody of any of your assets in this program. If you forward your cash, securities or other assets to us, we will return them to you so that you can send them to SEI.

**Trading Authority.** We will not exercise investment discretion in the purchase or sale of securities, except that we have authority to direct SEI to sell securities, if necessary, solely to pay a fee due to us from your account (see “Taxes” in Item 4(D)). Therefore, except as provided in the preceding sentence, we will only give SEI instructions to execute transactions in your account which are approved by you. We and SEI are authorized to follow your instructions in every respect concerning transactions in your account. However, we and/or SEI may reject any of your instructions if, in our reasonable judgment, such instructions (i) are not consistent with your investment objectives or (ii) if implemented would violate any applicable law, rule, or regulation.

With respect to securities transactions you have approved or those for which we are exercising investment discretion as described above, you will authorize us to direct SEI to execute all such transactions on your behalf in this program, and SEI Trust is therefore authorized to follow our instructions in every respect. Such authorization continues until you terminate it via written notice to us and SEI Trust receives a copy of such notice.

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<sup>1</sup> Formerly known as the CRI Mutual Fund Program

You will direct your account to be invested in accordance with one or more model portfolios you select (when SIMCO recommends changes to the composition of the model investment portfolios clients must provide approval in order to implement SIMCO's recommended changes). Once you have selected or approved a model portfolio, you are directing that the account be automatically adjusted by SEI to reflect any adjustment in the securities held in the model portfolio. Your approval or authorization of the model investment portfolio will result in the purchase and sale of securities in the model investment portfolio without further authorization by you until such time as SEI changes the composition of the selected model portfolio. This authorization will continue until you expressly instruct SEI otherwise. In addition, you have limited ability to customize your account. However, if your account varies from the model portfolio you selected, your account will thereafter be deemed a custom portfolio and will not be adjusted unless you provide us or SEI specific instructions to do so.

*Rebalancing.* As described above, your account will be automatically adjusted to reflect any adjustment in the model portfolio(s) in which you are invested unless your account is a custom account or you expressly instruct otherwise.

*Termination.* Unless you select another investment advisor that participates in this program through SEI, you may be required to liquidate the assets in your account upon termination. See "Termination" in Item 4(D) for more information related to the termination of your account.

#### **Item 4(E) Investment Management Services Formerly Offered**

We formerly offered the following investment management service which is no longer available for new clients:

##### **4(E)(i) Portfolio Solutions I Program**

*Description.* This is an asset allocation program in which we assist you in creating a portfolio of mutual funds, exchange traded funds, and, in some cases, a portfolio of individual securities. The mutual funds in this program are available from Pershing, LLC ("Pershing"). Pershing (member FINRA/SIPC) is a global provider of financial business solutions to institutional and retail financial organizations and independent registered investment advisors. Pershing is a subsidiary of The Bank of New York Mellon Corporation. See [www.pershing.com](http://www.pershing.com) for more information about Pershing (CRI makes no representations as to the completeness or accuracy of such materials).

Some or all of your assets may also be invested in a portfolio of individual securities managed by us, depending on the investment strategy selected.

For more information, please see the prior version of Part 2A of Form ADV, your investment management agreement, and other documentation related to the program. You may also contact your financial advisor or us (see "How to Contact Us" in Item 20) for further details.

#### **ITEM 5: FEES AND COMPENSATION**

##### **Item 5(A) General Fees**

Except as otherwise described in this Item 5, the maximum fees payable to us for the programs listed in Item 5 are equal to a specified annual percentage of assets under management as set forth below.

<b>ACCOUNT ASSETS</b>	<b>ANNUAL FEE (as percentage of assets)</b>
First \$500,000	1.75 %
Next \$1.5 million (\$500,001 to \$2.0 million)	1.10 %
Next \$1.0 million (\$2,000,001 to \$3.0 million)	.90 %
Next \$1.0 million (\$3,000,001 to \$4.0 million)	.70 %
Next \$1.0 million (\$4,000,001 to \$5.0 million)	.45 %
Over \$5.0 million	.20 %

However, financial advisors are authorized to negotiate different rates than those in the above table, subject to limitations imposed by us. In addition, as described herein, fees for financial planning and certain other services may be charged on an hourly basis or as a fixed amount. Each financial advisor assigned to your account will be compensated for services to you by receiving a percentage of the compensation received by CRI in accordance with the fee schedule attached to your investment management agreement with us. Financial advisor compensation ranges from 30% to 56% of the total compensation such financial advisor's sales and other activities produce for CRI in any given twelve month period. Therefore, depending upon the financial advisor's total sales and revenue production from all clients, the financial advisor's compensation for the services provided to you may range from 30% to 56% of the compensation received by CRI pursuant to the formula described in your investment management agreement with us, and it can change each month depending upon the financial advisor's total revenue production for CRI.

Each Consultant also has one or more supervisors who do not directly provide services to clients. However, as compensation for the supervisory services performed by these supervisors, CRI pays such supervisors a percentage of the compensation received by CRI from clients. Some of these supervisors may share some of that compensation with the Consultants they supervise, in which case those Consultants will receive compensation in excess of the amounts described in the preceding paragraph.

Your investment management fee will be set forth in your investment management agreement, financial planning agreement or other similar agreement. Our investment management fees will generally be paid first out of cash balances, from the liquidation or withdrawal of shares of any money market funds or balances in any money market account, and, to the extent such assets are insufficient to satisfy payment of the fee, from the sale and liquidation of other assets in your account.

In addition to the fees described in Item 5, your account may incur charges in addition to the advisory fee. Please see CRI's Client Commission and Fee Schedule for details on these charges.

As noted throughout this document, various different situations and programs present a conflict of interest for us and/or your financial advisor. For more information about conflicts of interest and how they may arise in connection with compensation to your financial advisor, see Item 10, "Conflicts of Interest."

#### **Item 5(B) Financial and Business Planning Fees**

Financial or business planning services are provided in exchange for an hourly fee not to exceed \$500 per hour or a fixed fee, which in either case is negotiable. This fee may vary from client to client based upon the complexity of the client's financial position as well as the client's financial objectives.

A portion of the fee is generally paid in advance. The actual amount of any fee paid in advance is negotiated between you and your financial advisor, subject to limitations imposed by Securian. In no event, however, are fees of more than \$1,200 required to be paid six months or more in advance of performance of services by Securian.

If your planning services agreement is terminated prior to the delivery of your final financial or business plan, our fees will be prorated based upon the degree to which we have completed your financial or business planning services as of the termination date.

The business planning services described in this brochure, including estimated business valuations, are provided by CRI and by your financial advisor acting as CRI's investment adviser representative. If an estimated business valuation is included in the business planning services, CRI and its investment adviser representative will use software developed by Minnesota Life Insurance Company ("Minnesota Life") to determine the estimated business valuation. You will be charged a fee by CRI for all such services, including any estimated business valuation, as described in this Item 5(B).

In addition to serving as CRI's investment adviser representative, your financial advisor is also an insurance agent appointed by Minnesota Life. Your financial advisor, acting as an insurance agent for Minnesota Life, has the option to use Minnesota Life's business valuation software to provide an estimated business valuation at no cost. In such a case, neither the estimated business valuation, nor any other business planning service, is provided by CRI. If you receive an estimated business valuation at no cost, it is provided to you by your financial advisor acting solely in the advisor's capacity as an insurance agent for Minnesota Life. Ask your financial advisor for details.

#### **Item 5(C) Seminar and Educational Services Fees**

Individuals participating in the seminars or educational services will typically be charged a fixed fee not to exceed \$199 per person. In certain instances, however, an employer or other organization may agree to bear the cost of sponsoring a seminar or educational service for a group of employees or other individuals. In those cases the individuals attending the seminar or educational service are not charged a separate fee for their participation. The financial advisor presenting the seminar or educational service determines the actual amount of the fee. For educational services, the fees as negotiated will be set forth in our agreement with each client for such services.

#### **Item 5(H) Investment Management Services Fee for Current Programs**

Fees for each of the investment management services currently offered are subject to the limits shown in the table in Item 5(A), except as otherwise stated below.

##### **5(H)(iii) CRI Asset Allocation Program Fees**

**Our Investment Management Fee.** Our investment management fees are payable in arrears, will be withdrawn from your account within the first two weeks of each calendar quarter, and will be calculated by multiplying  $\frac{1}{4}$  of the annual rate set forth in your contract (see Item 5(A), "General Fees") by the value of the assets in your account on the last day of the calendar quarter. If you start this program at any time other than the beginning of a calendar quarter, the initial quarterly investment management fee will be prorated based on the number of days remaining in the quarter. If you make additions to or withdrawals from your account, no adjustment will be made to our investment management fees. In the event that the program is terminated by either party, our investment management fee for the quarter in which the termination occurs will be prorated

based upon the number of days elapsed in the quarter prior to the termination date. We will not charge you any fees for terminating your account.

Other Costs For Which You Are Responsible. You will bear a portion of the operating expenses of the mutual funds held in your account. The amounts of these expenses vary from fund to fund and are usually set forth as a percentage of the overall net assets of the fund. Information on the specific expenses for each collective investment vehicle will be set forth in the prospectus and periodic reports provided to you by the collective investment vehicles (CRI makes no representations as to the completeness or accuracy of such materials).

All of the mutual funds SEI makes available to this program have no transaction fees (e.g. sales loads or deferred sales charges).

You may also be charged certain fees by SEI or one of its affiliates if the value of the assets in your account is less than certain minimums established from time to time by SEI. You may also be charged for specific account services, such as transfers, annual and termination fees for retirement accounts, wire transfer charges, and charges for optional services you select. See your custody agreement or ask your financial advisor for more information regarding these fees.

Other Compensation Your Financial Advisor May Receive. Please see Item 10(C)(iii) "Marketing & Other Assistance."

Other Compensation SEI May Receive. The investment manager for each mutual fund is an affiliate of SEI and such managers receive fees for their services. None of the compensation SEI or its affiliates receive under these arrangements is credited back to you. For more information about other fees that may be charged by SEI Trust, see SEI Trust's fee schedule (Securian makes no representations as to the completeness or accuracy of such materials).

#### **Item 5(I) Investment Management Services Fees for Former Programs**

Fees for each of the investment management services formerly offered subject to the limits shown in the table in Item 5(A), except as otherwise stated below.

##### 5(H)(i) Portfolio Solutions I Program Fees

Our Investment Management Fee. Our investment management fees are payable in advance, will be withdrawn from your account within the first two weeks of each calendar quarter, and will be calculated by multiplying  $\frac{1}{4}$  of the annual rate set forth in your contract (see Item 5(A), "General Fees") by the value of the assets in your account on the last business day of the calendar quarter. If you start this program at any time other than the beginning of a calendar quarter, the initial quarterly investment management fee will be prorated based on the number of days remaining in the quarter. If you make additions to your account (which are greater than the minimum we establish from time to time) during a calendar quarter, we will charge you an additional fee for such additions in the next calendar quarter. If you withdraw assets from your account (which are greater than the minimum we establish from time to time) during a calendar quarter, we will credit the fees paid with respect to the withdrawn assets towards the fees owed for the next calendar quarter on a pro-rata basis based upon the number of days remaining in the calendar quarter. In the event that the program is terminated by either party, the fees you pay us for the quarter in which termination occurs will be prorated based upon the number of days elapsed in the quarter prior to the termination date. We will not charge you any fees for terminating your account, however Pershing may charge a termination fee on IRA accounts.

Other Costs For Which You Are Responsible. You will bear a portion of the operating expenses of any collective investment vehicles, such as mutual funds, closed-end funds, unit investment trusts, or exchange-traded funds held in your account. The amounts of these expenses vary from fund to fund and are usually set forth as a percentage of the overall net assets of the fund or trust. Information on the specific expenses for each collective

investment vehicle will be set forth in the prospectus and periodic reports provided to you by the collective investment vehicles (CRI makes no representations as to the completeness or accuracy of such materials).

Pershing makes certain mutual funds (the “FundVest Funds”) available to this program that do not have transaction fees (e.g. sales loads or deferred sales charges), provided they are held for at least six months. If the FundVest funds are held for less than six months, we bear any transaction fees in those cases. In addition, other funds are made available to this program through our clearing agreement with Pershing, and, provided that such funds are held at least six months, we bear any transaction fees in those cases. Where such funds are held for less than six months, you must pay all transaction fees. See the prospectus for each fund for a description of the transactions fees in the event that the fund is held less than six months (CRI makes no representations as to the completeness or accuracy of such materials).

In the event municipal bonds, U.S. Government bonds, corporate bonds, equity securities, or other individual securities are traded in your account, you will be responsible for paying any fees or charges associated with transactions in such securities in your account, including, but not limited to: (i) commissions or other charges imposed by broker-dealers or other entities for executing and/or clearing transactions; (ii) dealer markups or markdowns; (iii) costs relating to trading in foreign securities; and (iv) charges imposed by law. See the brokerage agreement with us related to this account or ask your financial advisor for more information regarding these fees. This presents a conflict of interest for us because, as the introducing broker-dealer on your account (see “Brokerage” below), we receive additional compensation with respect to such transactions (see Item 10(C), “Conflicts of Interest”).

You may also be charged for specific account services, such as transfers, annual and termination fees for retirement accounts, wire transfer charges, custodial fees, and charges for optional services you select. If you choose to have trade confirmations delivered by mail rather than delivered electronically, there will be a charge for each trade confirmation. See the brokerage agreement with us related to this account or ask your financial advisor for more information regarding these fees.

Other Compensation We May Receive. We receive 12b-1 and other fees from the FundVest Funds or other mutual funds available through this program which are in addition to the fees which we receive from you. The securities trades directed to Pershing in this program are included in the calculation of assets we introduce to Pershing and therefore may result in reduced fees charged to us by Pershing or in our receipt of additional services from Pershing. The investment managers for certain of the mutual funds available through this program are directly or indirectly affiliated with us and receive compensation for their investment management services (see Item 10(B)(iv), “Affiliates as Sub-Advisors to Certain Mutual Funds”). We receive from Pershing a portion of the revenue sharing payments Pershing receives in connection with the sale and retention of the funds that participate in Pershing’s FundVest program. These fees are paid in accordance with an asset-based formula. For additional details regarding the FundVest program please refer to [www.pershing.com/mutual\\_fund.htm](http://www.pershing.com/mutual_fund.htm) (CRI makes no representations as to the completeness or accuracy of such materials). We receive marketing support payments from the investment advisers, principal underwriters, or other affiliates of the mutual funds which participate in our Strategic Partner Program (see Item 10(C)(v), “Strategic Partner Program”). As the introducing broker-dealer for your account, we receive additional compensation with respect to transactions in municipal bonds, U.S. Government bonds, corporate bonds, equity securities, exchange traded funds, or other individual securities in your account (see Other Costs For Which You Are Responsible above). None of the compensation we receive under these arrangements is credited back to you or offset against our investment management fees.<sup>2</sup> All of these situations present a conflict of interest for us (see Item 10(C), “Conflicts of Interest”).

Other Compensation Pershing May Receive. Pershing receives 12b-1 and other fees from the FundVest Funds or other mutual funds available through this program. Pershing receives payments, commonly referred to as “revenue sharing,” from the investment advisers, principal underwriters, or other affiliates of the FundVest

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<sup>2</sup> 12b-1 fees for accounts subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) are not retained by us and are instead credited back to the account.



Funds. Pershing also receives operational reimbursements from some of the FundVest Funds in the form of networking or omnibus processing fees. These fees are based on a flat fee per holding and paid to Pershing in exchange for various services Pershing provides the FundVest Funds, such as accounting services, dividend calculation and posting, reconciliation, client confirmations, statement preparation and mailing, and tax statement preparation and mailing. For additional details regarding these revenue sharing payments or a listing of funds that pay Pershing networking or omnibus fees, please refer to [www.pershing.com/mutual\\_fund.htm](http://www.pershing.com/mutual_fund.htm) (CRI makes no representations as to the completeness or accuracy of such materials). In addition, certain money market or other fund managers are directly or indirectly affiliated with Pershing and receive compensation for their investment management services. None of the compensation Pershing receives under these arrangements is credited back to you.

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

Neither we, nor our supervised persons, accept performance based fees or do side-by-side management.

#### **ITEM 7: TYPES OF CLIENTS**

CRI provides investment advisory and brokerage services to a variety of clients all over the United States, including individuals and businesses. Clients may simultaneously receive both investment advisory and brokerage services from us.

- For the CRI Asset Allocation Program, the minimum account size is generally \$100,000. Lesser amounts may be accepted in some circumstances.

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

##### **Item 8(A) Our Approach**

*Methods of Investment Analysis.* We seek to recommend investment strategies or products that will give you a diversified portfolio consistent with your investment objective. We do this by analyzing the various products, investment strategies, and money management firms to which we provide access. That analysis includes a review of the structure, cost, and investment performance history of each program.

In several of our programs, we and/or the third party managers involved in such programs, use Modern Portfolio Theory to attempt to develop optimal long-term strategic securities portfolios. Modern Portfolio Theory involves describing a portfolio of securities in terms of its projected long-term rate of return and its projected short-term risk. The goal is to identify a client's risk tolerance, and then find a portfolio with the maximum expected return for that level of risk. Using Modern Portfolio Theory over the long-term can reduce risk, but over shorter time horizons (such as less than three years), risk may not be materially reduced. Not all portfolios are constructed using Modern Portfolio Theory, and we do utilize other methods of constructing portfolios when it is appropriate for a particular client.

We also use traditional methods of fundamental security analysis which has as its basic assumption that markets may misprice a security in the short term but that the correct price will eventually be reached. Fundamental security analysis involves estimating the value a particular security and then comparing that estimate with the current price for the security. Fundamental security analysis involves assumptions that may or may not turn out to be accurate.

*Where We Get Our Information.* You are our most important source of information. We will collect financial and other data from you, review your investment objectives, investment time horizon, financial circumstances and risk profile. It is the information you provide about your specific financial situation that drives our recommendations. In addition, we draw on research materials including financial newspapers and publications, research services, annual reports, prospectuses, and filings with the SEC.

*Investment Strategies.* Typically, we emphasize long-term strategies. However, the level of service and consultation we provide and the strategies we recommend vary with your objectives and needs. Once we have a profile of your situation, we can develop customized recommendations regarding allocation strategies, including short-term strategies, margin transactions, options writing, etc.

*Types of Securities.* Depending on your needs and the investment advisory services you select, we provide advice about a wide range of securities, including, but not limited to:

- Mutual funds,
- Exchange Traded Funds,
- Common and preferred stocks (exchange listed and over-the-counter),
- Fixed income investments such as bonds, commercial paper and certificates of deposit,
- Municipal securities, and
- U.S. Government securities.

#### **Item 8(B) Investment Risk**

All investments involve risk. Investment recommendations provided by us and our financial advisors are subject to the risks associated with investing in securities and will not always be profitable. We do not guarantee the results of any advice or recommendations nor do we guarantee that your investment objectives will be met.

#### **ITEM 9: DISCIPLINARY INFORMATION**

CRI has no material disciplinary or legal events to report.

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

The following are CRI's other financial industry activities and affiliations.

##### **Item 10(A) Brokerage Services Business.**

CRI's principal business activity is as a securities broker-dealer. CRI's securities brokerage business consists primarily of the sale of mutual funds and, on a fully-disclosed basis, general securities through CRI's clearing agreement with Pershing. In this capacity CRI receives compensation in the form of dealer concessions, commissions from brokerage customers, and/or distribution (Rule 12b-1) fees, from which CRI pays commissions to CRI's Consultants.

As a securities broker-dealer CRI also provides investment advice to clients, which is incidental to the brokerage services provided, and for which CRI does not receive any special compensation, other than the customary commissions or fees charged for such brokerage services.

##### **Item 10(B) Business Affiliations**

Fifty percent of CRI's voting securities are owned by Enterprise Holding Corporation, a corporation organized for the purpose of holding subsidiary corporations. Enterprise holding corporation is wholly owned by Minnesota Life Insurance Company, a wholly owned subsidiary of Securian Financial Group, Inc., and an indirect subsidiary of a mutual insurance holding company called Minnesota Mutual Companies, Inc. Minnesota Life, Advantus Capital Management, Inc. ("Advantus Capital"), an affiliated investment advisor, and Securian Financial Services, Inc. ("Securian"), an affiliated broker-dealer and investment advisor, are also wholly owned subsidiaries of Securian Financial Group, Inc. The other 50% of CRI's voting securities are owned by Philip C. Richards, who is also the principal owner of an insurance agency named North Star Consultants, Inc. Many of CRI's customers, whether for brokerage or advisory services, are also customers of Minnesota Life, Securian, or North Star. Advantus Capital provides investment advice to other affiliated entities, including Minnesota Life, and to private accounts. CRI may

benefit from these affiliations in various ways, including access to additional investment-related research and information. Minnesota Life and Advantus Capital conduct separate businesses but may on rare occasions coincidentally trade for their own accounts in securities that CRI has recommended to its advisory clients.

CRI believes that CRI benefits from these affiliations in various ways, including access to additional investment-related research and information. Some of CRI's affiliates may coincidentally trade for their own accounts in securities that CRI has recommended to CRI clients

#### 10(B)(i) Affiliated Insurance Businesses

The insurance companies owned directly or indirectly by Securian Financial Group, Inc. (including Minnesota Life Insurance Company ("Minnesota Life") (see [www.minnesotalife.com](http://www.minnesotalife.com)), Securian Life Insurance Company (see [www.securianlife.com](http://www.securianlife.com)), Securian Casualty Company, Cherokee National Life Insurance Company (see <http://www.cnlf.com>), and CNL/Insurance America, Inc.) provide a variety of insurance and annuities products (including term life insurance, indexed life insurance, variable life insurance, fixed and indexed annuities, group term and variable life insurance, accidental death and dismemberment insurance, mortgage life insurance, credit life and disability insurance, debt protection, guaranteed asset protection, and collateral protection insurance) to individuals, businesses, employers, banks, and credit unions. Many of CRI's customers are also customers of Minnesota Life.

#### 10(B)(ii) Affiliated Investment Advisors and Broker-Dealers

Advantus Capital Management, Inc. ("Advantus") is also a wholly-owned subsidiary of Securian Financial Group, Inc. Advantus is registered as an investment advisor with the SEC. Advantus provides investment advice to affiliated entities, including Minnesota Life, and to unaffiliated entities, including unaffiliated insurance companies, public and corporate pension plans, retirement plans, mutual fund companies, Taft-Hartley plans, foundations, and endowments. See [www.advantuscapital.com](http://www.advantuscapital.com) for more information.

H. Beck, Inc. ("H. Beck") is also a wholly owned subsidiary of Securian Financial Group, Inc. H. Beck is registered with the SEC as both an investment advisor and a broker-dealer. H. Beck is also a member of FINRA, the SIPC, and the National Futures Association. H. Beck provides investment advice and brokerage services that serve the needs of individuals, trusts, estates, and businesses. See [www.cfginc.com](http://www.cfginc.com) for more information.

Securian Financial Services, Inc. ("Securian") is a wholly owned subsidiary of Securian Financial Group, Inc. Securian is registered with the SEC as both an investment advisor and a broker-dealer. Securian is also a member of FINRA and the SIPC. Securian provides mutual funds, brokerage services, and general securities to individuals, trusts, estates, and businesses. See [www.securian.com/FinancialServices/home.asp](http://www.securian.com/FinancialServices/home.asp) for more information.

#### 10(B)(iii) Affiliated Banking Institutions

Securian Trust Company, N.A. ("Securian Trust") is also a wholly owned subsidiary of Securian Financial Group, Inc. Securian Trust is a national bank chartered by the Office of the Comptroller of the Currency. Securian Trust provides expertise in trust administration and trust investment management.

#### 10(B)(iv) Affiliates as Sub-Advisors to Certain Mutual Funds

Advantus serves as a subadvisor for certain of the Ivy Funds, and receives a management fee for its services. While CRI receives no direct compensation as a result of this relationship, Advantus' compensation increases if the assets in such funds increase. See the prospectuses for the Ivy Funds for more information.

10(B)(v) Affiliates as Advisors to Investment Accounts Available Through Certain Qualified Plans

Advantus also serves as the investment advisor for certain separate accounts that are offered as investment options in Minnesota Life group variable annuity contracts sold to qualified plans. While CRI receives no direct compensation as a result of this relationship, Advantus receives compensation for its investment advisory services.

10(B)(vi) Affiliates as Providers of Retirement Plans

Minnesota Life Insurance Company ("Minnesota Life"), an affiliate of CRI's, issues group variable annuities to retirement plans which may also receive investment advisory services from CRI's affiliate, Securian Financial Services, Inc. ("Securian"). CRI's compensation for those investment advisory services is not affected by the investment options the retirement plan chooses. Minnesota Life's total compensation may be impacted if the retirement plan selects an investment option guaranteed by Minnesota Life. However, unlike variable investment options, such investment options provide interest rate and principal guarantees backed by the financial strength and claims paying ability of Minnesota Life. Also, Advantus' compensation may be impacted if the retirement plan selects one or more investment options for which Advantus is the investment manager or sub-advisor.

**Item 10(C) Conflicts of Interest**

As noted throughout this document, various different situations and programs present a conflict of interest for us and/or your financial advisor. Typically, this conflict of interest is because we and/or your financial advisor receive compensation or other benefits in addition to the fees we receive from you. Conflicts of interest also arise when (i) we can achieve certain expense reductions based upon how your assets are invested (e.g. the rates we pay third party service providers may decrease as we introduce more assets to those third party service providers), (ii) we receive additional compensation from you in a capacity other than as your investment advisor (e.g. for certain programs we also act as the broker-dealer and receive additional compensation in that capacity), or (iii) one of our affiliates may receive compensation through some of our programs (e.g. a program where an affiliate of ours provides you trust services) or from some of the investment options in those programs (see Item 10(B)(iv), "Affiliates as Subadvisors to Certain Mutual Funds"). In all of these situations we have an economic interest in how your assets are invested, thus resulting in a conflict between your interests and ours.

Your financial advisor is compensated as a result of your engaging us to provide services to you. The amount of that compensation varies between our programs or may be more than what the financial advisor would earn if you paid separately for services that we may bundle together (e.g. paying separately for investment advice and brokerage services). Therefore, your financial advisor may have an economic interest in whether you receive investment advisory services versus securities brokerage or other services or which investment advisory program you utilize, thus resulting in a conflict between your interests and those of your financial advisor. For more information about your financial advisor's compensation, please contact your financial advisor.

As required by law, we maintain certain policies and procedures, such as our "Code of Ethics" (see Item 11, "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading") reasonably designed to prevent us and our financial advisors from acting in any way that is inconsistent with our legal obligations to you, including the requirement that we put your interests first.

10(C)(i) Non-Cash Compensation from Us or Our Affiliates

In accordance with FINRA rules, either we or our affiliates (e.g. Minnesota Life), see Item 10, "Other Financial Industry Activities and Affiliations"), will award credits which allow our financial advisors who are responsible for the sales of investment advisory services, insurance products, and other investment products to attend conventions and other meetings sponsored by us or our affiliates for the purpose of promoting the sale of investment advisory services, insurance products, and other investment products offered by us and our affiliates. Such credits may entitle the financial advisors to reimbursement for transportation, hotel accommodations, meals, registration fees, and the like.

Our financial advisors may also be eligible for financing arrangements, no-cost training, group health and/or life insurance benefits, retirement benefits, deferred compensation benefits, and other benefits based on their contract with our affiliate, Minnesota Life. All of these programs are designed to encourage our financial advisors to sell Minnesota Life's insurance products.

All of the non-cash compensation described in this section, in conjunction with any other compensation or benefits provided by us or our affiliates, may be more or less than the overall compensation on similar or other products. The amount and/or structure of the compensation may influence your financial advisor to favor certain investment alternatives over others. However, the differences in compensation may also reflect differences in sales effort or ongoing customer services expected of the financial advisor.

For more information about these programs and the benefits received by your financial advisor, please contact your financial advisor.

#### 10(C)(ii) Non-Cash Compensation from Third Parties

Some of the third parties that are involved with the investment advisory services we offer (e.g. portfolio managers, investment managers, sub-managers, custodians, or executing brokers) may provide non-cash benefits to our financial advisors such as meals or tickets to sporting or entertainment events. In addition, some of those third parties sponsor or participate in conventions, conferences, or training events and may provide our financial advisors and/or our home office employees with transportation, hotel accommodations, meals, registration fees, and the like in order to encourage them to attend such events. For additional information about these programs and whether your financial advisor receives any of these non-cash benefits, please contact your financial advisor.

#### 10(C)(iii) Marketing & Other Assistance

For Financial Advisors. The sponsors of our advisory programs provide some of our financial advisors with additional financial support by reimbursing our financial advisors for certain marketing related expenses, such as client seminars, client appreciation events, and donations to charities or charitable events. In general, sponsors are more willing to make such reimbursements or will make larger reimbursements based on the amount of assets invested in their program by a financial advisor's clients. This is a conflict of interest for your financial advisor. We maintain policies that limit the amount of this financial support that financial advisors may receive. For more information about whether your financial advisor receives any of the type of support described in this paragraph, please contact your financial advisor.

Below is one of the programs through which our financial advisors can receive additional financial support as described in the previous paragraph:

SEI. Certain of our financial advisors qualify for SEI's Advisor Benefit Program. This program has three levels, with benefits for both financial advisors and their clients, which may include waivers of certain client fees, access to specialized resources, free attendance at SEI's conferences, reimbursements for certain marketing expenses, etc. Advisors qualify for the Advisor Benefit Program if the assets invested by their clients in SEI's products exceed \$45 million. For more information about whether your financial advisor qualifies for this program or receives any of the type of support described in this paragraph, please contact your financial advisor.

For CRI. CRI provides a variety of investment advisory services, which in some cases also include services from third-party sponsors of investment advisory programs or platforms. Certain third-party sponsors of investment advisory programs or platforms ("Investment Advisory Sponsors") pay marketing support payments to Securian, CRI's affiliate, based on total assets in CRI client accounts and/or gross new contributions to CRI client accounts that are managed by CRI in connection with such Sponsor's program or platform. In exchange for such marketing support payments, CRI provides Investment Advisory Sponsors with such things as visibility on a website

for advisors, access to CRI's advisors, and invitations to certain conferences or meetings. CRI's representatives do not receive any additional cash compensation as a result of Securian's receipt of these payments.

Securian receives marketing support payments in connection with the sale and retention of assets in accounts with SEI Investments Management Corporation ("SEI"). Each year SEI pays Securian a sum that varies but does not exceed 0.05% of gross contributions to investment advisory accounts sold by Securian and CRI and 0.03% of assets held by SEI attributable to Securian and CRI.

The amount of marketing support payments received from SEI during the preceding calendar year is listed on the Strategic Partner page at [www.securianfinancial.com](http://www.securianfinancial.com).

#### 10(C)(iv) Conference Sponsorships

Some of the third parties that are involved with the investment advisory services we offer (e.g. portfolio managers, investment managers, sub-managers, custodians, or executing brokers) may, from time to time, reimburse us for certain conferences we sponsor. For more information about these reimbursements, please contact us (see Item 20, "How to Contact Us").

#### 10(C)(v) Strategic Partner Program

Through our Strategic Partner Program ("Program"), we seek to establish additional relationships with various unaffiliated participating mutual fund companies ("Strategic Partners"). In addition to customary sales commissions, we receive marketing support payments (commonly referred to as "revenue sharing") from such Strategic Partners. We may use these payments for general financial support to offset the costs of product management support and compliance. The payments are usually calculated as a percentage of mutual fund sales and/or the total assets held in mutual funds sold by us. The actual amount we receive is negotiated in each case and varies by Strategic Partner. In return for marketing support payments, Strategic Partners receive visibility on our advisor website and assistance with coordinating access to and educational opportunities for our financial advisors. In addition, we and the Strategic Partners agree to provide each other periodic reports. Such payments do not, however, secure favored treatment by us or our financial advisors for a Strategic Partner's products. For additional information about the Strategic Partner Program, see the Strategic Partner page at [www.securianfinancial.com](http://www.securianfinancial.com).

Marketing support payments are not made directly by you. Marketing support payments are paid by the Strategic Partner, by an affiliate of the Strategic Partner, or by the investment manager of the participating mutual funds. Marketing support payments are in addition to the sales charges, 12b-1 fees, and other fees and expenses charged by the mutual fund. A mutual fund's sales charges and 12b-1 fees are disclosed in the fund's prospectus fee table, as are all other charges and expenses borne by the fund and its shareholders. For additional information about these charges and expenses refer to the mutual fund's prospectus or statement of additional information, each of which is available on request from the mutual fund company (CRI makes no representations as to the completeness or accuracy of such materials).

Marketing support payments are not paid to our financial advisors as commissions or other compensation. Since our financial advisors will not directly receive any of these payments, we believe these financial arrangements do not create any incentives that will influence the advice you receive from your financial advisor.

The following are the Strategic Partners that currently pay us marketing support payments in relation to assets invested through some of our investment management programs:

*FundVest Mutual Funds Revenue Sharing.* CRI's affiliate, Securian receives from Pershing a portion of the revenue sharing payments Pershing receives in connection with the sale and retention of the funds that participate in Pershing's FundVest program. These fees are paid in accordance with an asset-based formula. For additional details regarding the FundVest program please refer to

[www.pershing.com/mutual\\_fund.htm](http://www.pershing.com/mutual_fund.htm) (CRI makes no representations as to the completeness or accuracy of such materials).

*Ivy Mutual Funds.* CRI's affiliate, Securian receives revenue sharing payments in connection with the sale and retention by Securian and CRI of Ivy Funds from Ivy Funds Distributor, Inc. ("IFD") or its affiliates. In addition, Securian may be paid an annual amount equal to .05% of the average daily account value of Securian and CRI accounts holding shares of the Ivy Funds. Securian and/or its affiliated companies are also paid annual incentive compensation of between .05% and .15% depending on the level of Ivy Funds assets held in Securian and CRI accounts. The amount of Ivy Funds that are invested in clients' accounts under the Program are included in the revenue sharing arrangement between IFD and Securian.

*Lord Abbett Mutual Funds.* Securian receives revenue sharing payments in connection with the sale and retention of Lord Abbett mutual funds from Lord Abbett Distributor LLC ("Lord Abbett"), the principal underwriter for various investment companies and series thereof that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended (the "Lord Abbett Funds"). Each quarter Lord Abbett pays Securian a sum that varies but does not exceed 0.05% of the previous quarter's Lord Abbett Funds sales by Securian and CRI and 0.02% of Lord Abbett Funds assets attributable to Securian and CRI. The amount of Lord Abbett Funds that are invested in clients' accounts and under the Program are included in the revenue sharing arrangement between Lord Abbett and Securian.

For Portfolio Solutions I, CRI may also receive 12b-1 fees from mutual funds in which clients' assets are invested. These 12b-1 fees are in addition to the investment management fee paid under the Program, and are also in addition to any revenue sharing payments that may be received as described above. Clients in the Program might be able to purchase such mutual funds without paying the 12b-1 fees and the Program Fee; however, in such cases, clients would not receive the benefits of the Program. For more information about a fund's sales charges or 12b-1 fees, see the fee and expense table in the summary section of the prospectus (CRI is making no representations as to the completeness or accuracy of such materials).

If the Employee Retirement Income Security Act of 1974 ("ERISA"), as interpreted by the Department of Labor, imposes obligations on CRI to take certain actions with respect to revenue sharing payments, 12b-1 fees charged to mutual fund shares owned by employee benefit plans or other sources of revenue, CRI will act in accordance with such obligations.

CRI acts as an investment adviser under the Investment Advisers Act of 1940 and a non-discretionary fiduciary investment adviser within the meaning of ERISA Section 3(21)(A)(ii) with regard to the ERISA Fiduciary Services (defined below) CRI provides to plans subject to ERISA. The "ERISA Fiduciary Services" include only the provision of investment advice; all other services are provided on a non-fiduciary basis.

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

Pursuant to rule 204A-1 under the Investment Advisers Act of 1940 (the "Act"), we have established and enforce a written code of ethics ("Code") that describes standards of business conduct, including applicable fiduciary obligations, that must be observed by us and our "supervised persons" (as defined in the Act) in connection with our investment advisory business. These standards include the following requirements:

- To act at all times with the utmost integrity and honesty, dealing fairly with our clients, our company, our associates, and our service providers;
- To place the interests of our clients first;
- To render professional and unbiased investment advice to our clients;
- To provide full, fair, and, timely information to our clients;
- To avoid any conflicts of interest with our clients when conducting personal securities transactions;

- To exercise diligence and care in maintaining and protecting our clients' nonpublic, confidential information; and
- To comply at all times with federal securities laws.

All supervised persons are prohibited from trading on the basis of material non-public information. In addition, the Code prohibits certain supervised persons ("Access Persons") from trading, in their personal accounts or in other accounts in which they have a beneficial interest, in "reportable securities" (as defined in Rule 204A-1 and the Code) ahead of a client's trade in the same security, and from purchasing any security that is part of an initial public offering. Access Persons must also obtain prior approval from our Chief Compliance Officer before purchasing any security as part of a private placement or other limited offering.

In order to avoid conflicts of interest, the Code requires Access Persons to provide, and us to review, both initial and annual reports of all reportable securities beneficially owned by such Access Person. Quarterly reports of all transactions in reportable securities by Access Persons are also required under the Code and are also required to be reviewed by us.

Each supervised person receives a copy of the Code and of each amendment thereto, and is required to acknowledge such receipt in writing. The Code further requires each supervised person to report any violation of the Code promptly to our Chief Compliance Officer.

A copy of our Code of Ethics will be provided to any client or prospective client upon request.

## **ITEM 12: BROKERAGE PRACTICES**

CRI does not receive research or other products or services (also known as "soft dollar benefits") from a broker-dealer or third party in connection with client securities transactions. CRI does not select or recommend other broker-dealers. In some programs, clients direct trades to us for introduction to Pershing or Charles Schwab & Co., Inc.. In other programs, clients direct trades to other broker-dealers or a third party, and the other broker-dealer or third party manager selects or recommends the broker-dealer.

For the Portfolio Solutions I Program, we generally serve as the introducing broker-dealer on each account, which represents a conflict of interest for us (see Item 10(C), "Conflicts of Interest"). You will direct that all securities purchase and sale orders for your account be introduced by us and executed and cleared through Pershing which serves as the clearing broker for all transactions through this program. While best efforts will be made by Pershing, it is possible that another broker-dealer may execute a transaction at a better quality, speed, or price. For these reasons, directed brokerage accounts may not generate returns equal to those of non-directed accounts. From to time we may use a broker different from Pershing or other agreed to executing brokers to execute trades if we reasonably believe that, by doing so, we will be able to satisfy our obligation to achieve best execution on your behalf.

CRI has established a process to correct trade errors. For more information about our trade correction policies, please contact us (see Item 20(B), "How to Contact Us").

## **ITEM 13: REVIEW OF ACCOUNTS**

In connection with financial planning services, we have financial planning supervisory procedures in place to provide a periodic review of client deliverables to ensure that advice is consistent with the financial planning agreement you have entered into with CRI. These reviews are conducted by one of CRI's registered principals. This review includes, but is not limited to, any planning software analysis and written client recommendations created during the planning process. This review is conducted on a sampling of all financial plans created by the field. A greater emphasis of review is placed on high fee plans and plans created by planners with less experience.



In connection with our other investment management services, we will review your account with you at least once each year to determine whether the assets in your account are allocated consistently with the parameters of the allocation strategy you selected. The review covers such things as changes in the value of your account, the success of your investment strategy in meeting your investment needs and objectives, whether any material changes have taken place in your financial circumstances or investment objectives, and any recommendations we make with respect to your account(s). We will also be available on an ongoing basis to discuss any changes which may have occurred in your circumstances or investment objective.

You will receive monthly account statements and quarterly reports analyzing the investment performance of your account. You will also receive confirmation of activity in your account. The statements, reports, and confirmations may be delivered in writing or electronically, as you choose and as available with the program that you select.

#### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

In conjunction with our Solicitor Services program (see Item 4(E)), we assist clients in selecting an investment management program from among several such programs sponsored by unaffiliated investment management firms to which we may refer clients. Pursuant to our agreements with these firms, the firms compensate us for our services by paying us a percentage of the advisory fees received by such firms from clients we have referred. We do not charge our clients a separate fee for our services in helping them select a sponsor's program. Each client we refer to a sponsor receives a written statement disclosing that we act as a solicitor for the program sponsor and that we are compensated by the sponsor for our referrals.

We do not at present compensate any person for client referrals for any program or service described in this brochure.

#### **ITEM 15: CUSTODY**

Depending on the program selected, all your cash, securities, and other assets in our other investment managements programs will remain in your custody or in the custody of Pershing, LLC ("Pershing") or another program custodian. Pershing and the other custodians provide usual and customary custodial and certain administrative services. We will not receive or retain custody of any of your assets in our investment management programs. If you forward assets to us, we will return them to you so that you can send them to Pershing or the other program custodian. You may receive a quarterly, or more frequent, account statement directly from Pershing. You should review this account statement carefully. We urge you to compare the account statements that you receive from Pershing with those that you receive from others.

#### **ITEM 16: INVESTMENT DISCRETION**

We do not ordinarily accept discretionary authority to manage securities accounts on behalf of clients in connection with any of the services or programs described in this Brochure. There is one exception: certain clients in the Portfolio Solutions I Program have executed amendments to their investment management agreements with us to allow their financial advisor complete and unlimited discretionary trading with respect to purchases and sales of mutual funds and exchange traded funds in the client's account. The financial advisor is not authorized to withdraw or transfer any of the client's money, securities, or property from client accounts, either in the client's name or otherwise. For information regarding investment discretion, if any, exercised in our wrap fee programs, see the separate wrap fee brochure for each program.

#### **ITEM 17: VOTING CLIENT SECURITIES**

We do not have or accept the authority to vote client securities. Any proxies received by us will be forwarded to your attention. If you have questions about a particular solicitation, please contact the entity soliciting you or us. For information about how to contact us, please see the section at the end of this brochure entitled "How to Contact Us."

**ITEM 18: FINANCIAL INFORMATION**

CRI generally does not require payment of fees more than one quarter in advance. In no event, however, are client fees of more than \$1,200 required to be paid six months or more in advance of performance of services by Securian. For these reasons, CRI is not required to provide an audited balance sheet for its most recent fiscal year.

CRI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, nor has CRI been the subject of a bankruptcy proceeding.

**ITEM 19: REQUIREMENTS FOR STATE REGISTERED ADVISERS**

CRI is federally registered.

**ITEM 20: OTHER****Item 20(A) Privacy**

We will share some of your information you provide us with custodians, investment managers, other third parties involved with our services or their agents for the purposes of setting up your program account(s), administering your account, executing your instructions, etc. Those same parties typically provide us with information about your account(s) from time to time, including copies of your statements. See the Securian Financial Group, Inc. Privacy Policy (available at [www.securian.com](http://www.securian.com) or from us or your financial advisor) for more information.

**Item 20(B) How to Contact Us**

We look forward to providing you with quality investment services. If you have questions, please contact your financial advisor, or you may contact us directly at:

CRI Securities, LLC  
400 Robert Street North  
Saint Paul, MN 55101-2098  
1-800-820-4205