

Columbia Ridge Capital Management, Inc.

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**Item 1 - Firm Brochure
(Part 2A of Form ADV)**

This brochure provides information about the qualifications and business practices of Columbia Ridge Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at (607) 584-4141 or by email at www.columbiaridgecm.com. 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. References herein to Columbia Ridge Capital Management, Inc. as a registered investment advisor, or any reference to being registered, does not imply a certain level of skill or training.

Additional information about Columbia Ridge Capital Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

May 1, 2019

Item 2 - Material Changes

Annual Update

As required by Securities and Exchange Commission (SEC) regulations, this Firm Disclosure Document for Columbia Ridge Capital Management, Inc. is subject to ongoing review by the Firm's management. This Material Changes section of the brochure is updated at least annually, or more frequently, if/when material changes have occurred since the previous release of the Disclosure Document. In the event there have been material changes, clients of Columbia Ridge Capital Management, Inc. will receive a copy of this Material Changes page which reflects those noteworthy changes.

Material Changes since the Last Update

The Columbia Ridge Capital Management, Inc. Disclosure Document and Brochure Supplement have been reviewed by Firm management in accordance with SEC requirements. As determined by that review, clients are hereby advised of the following Material Changes which have been implemented by Columbia Ridge Capital Management since its last amended submission in March 2019:

Effective May 1, 2019, Columbia Ridge Capital Management expanded its advisory services platform to include a digital advisory services option to new and existing clients. For clients for whom this option is deemed suitable, and desirable, it affords an opportunity for greater self-direction in the investment of assets, under the guidance of their advisor. Existing and prospective clients are encouraged to review Columbia Ridge Capital Management's Form ADV Part 2 Disclosure Document, as it relates to this option, along with consultation with the advisor, prior to utilizing it.

It is also herein disclosed that Shane Hickey and Brittany Vinette have joined Columbia Ridge Capital Management as Investment Advisor Representatives of the Firm effective May 1, 2019. Shane and Brittany will serve primarily as advisors to clients utilizing the Firm's digital advisory platform.

In keeping with regulatory requirements, existing clients of our Firm are being provided with this Material Changes notice reflective of the changes described above. In the event that other significant changes should occur prior to the Firm's next annual review, Columbia Ridge Capital Management will forward to its clients copies of the Material Changes relating to those changes.

Full Brochure Available

Form ADV Part 2A serves as the Disclosure Document for Columbia Ridge Capital Management, Inc., as an SEC-registered investment advisory firm, and is available at any time upon request. A Brochure Supplement, known as Form ADV Part 2B, discloses the professional histories and qualifications of our advisors and is offered as a separate document. While we offer these documents to our clients each year in a separate mailing, they may be requested at any time by contacting Leona Hoag, the

Firm's Chief Compliance Officer, either by telephone at (607) 337-6068 or by email at leona.hoag@nbtbank.com. Columbia Ridge Capital Management, Inc. will provide its clients with its most current Disclosure Document and/or Brochure Supplement at any time, without charge.

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Item 4 - Advisory Business

Firm Description

Columbia Ridge Capital Management, Inc., hereinafter referred to as CRCM or the Firm, is a Registered Investment Advisory firm, registered with the Securities and Exchange Commission. CRCM is a privately held corporation which is a wholly owned subsidiary of NBT Bank, N.A. NBT Bank, N.A. is headquartered in Norwich, New York. Investment Advisor Representatives of the Firm are Kenneth Rosplock, Kathleen Bartlow and John Rice. CRCM is currently notice filed to conduct advisory business in the States of New York, Alabama, North Carolina, Florida, Pennsylvania and Texas, as required by the respective states' registration requirements.

Historically, CRCM has provided and continues to provide traditional investment advisory services inclusive of personalized confidential financial planning, asset management and related consulting services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, charitable organizations and small businesses. Recommendations to clients are made based on consultation with the client and analysis of each client's specific financial needs and may include following focused services:

Determination of financial objectives	Identification of financial problems
Cash flow management	Tax planning
Insurance review	Investment management
Education funding	Retirement planning
Estate planning	

Within the context of providing these services, clients may place restrictions on the types of securities to be held within their portfolios but may cede general investment discretion authority to their advisor. CRCM, at this time, does not offer its clients wrap fee programs. Wrap programs charge a single consolidated advisory fee for an investment program that bundles together a suite of services, such as brokerage, advisory, research and management. Investment advisory services may be provided to clients on either a discretionary or non-discretionary basis.

In addition to the traditional investment advisory services referenced above, CRCM offers a digital or automated investment program ("Digital Program") through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds ("Funds") and a cash allocation. The client may instruct us to exclude up to three Funds from their portfolio. The client's portfolio is held in a brokerage account opened directly by the client at Charles Schwab & Co., Inc. ("CS&Co"). We use the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the Digital Program. CRCM is independent of and not owned by, affiliated with, sponsored by or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). CRCM, and not Schwab, is the client's investment advisor and primary point of contact with respect to the Digital Program. CRCM, not Schwab, is solely responsible for determining the

appropriateness of the Digital Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis.

We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Digital Program. The Platform enables us to make the Digital Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that can help the client define their respective investment objectives, risk tolerance and an appropriate investment strategy and portfolio model. A client may indicate an interest in a portfolio that is more conservative or more aggressive than the recommended portfolio. With the assistance of an advisor, the client may elect to implement such an action consistent with their suitability parameters and constraints of the System. The System also includes an automated investment engine through which the client's portfolio is managed on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We charge clients a fee for our digital advisory services option, as described below under **Item 5 Fees and Compensation**. These fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Digital Program. Schwab does receive other revenues, including:

- (i) The profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement;
- (ii) Investment advisory and/or administrative service fees (or Institutional Intelligent Portfolios® Rev. 2019.01 32 unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account;
- (iii) Fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and
- (iv) Remuneration from the market centers where Schwab routes ETF trade orders for execution.

CRCM does not pay fees to SPT for the Platform so long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in the Digital Program. If we do not meet this condition, then CRCM will pay SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients' assets in the Digital Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Digital Program be maintained with CS&Co. This incentive may pose a real or perceived conflict of interest to our clients and is, therefore, disclosed here accordingly.

In all services provided, CRCM does not act as a custodian of client assets, opting instead to utilize the services of the following outside custodial firms at this time:

- Charles Schwab & Co., previously referred to herein as Schwab, an independent and unaffiliated SEC-registered broker/dealer and a member of FINRA/SIPC/NFA;
- TD Ameritrade Institutional, hereinafter referred to as TD Ameritrade, an independent and unaffiliated SEC-registered broker/dealer and a member of FINRA/SIPC;
- TIAA-CREF Individual & Institutional Services LLC, an independent, unaffiliated SEC-registered broker/dealer and a member of FINRA/SIPC.

CRCM may, to better serve specific client needs, elect to use the services of other custodians as well, at its discretion. The clients always maintain control of their assets but may authorize CRCM to transact trades on their behalf, without prior consultation, by the discretion authorization contained in a discretionary advisory agreement executed with the Firm.

A written evaluation of each client's initial situation is prepared prior to the commencement of services. Periodic account review summaries may also be provided to clients as reminders of the specific courses of action that need to be taken. More frequent reviews may occur but are not necessarily communicated to clients unless immediate changes are to be recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) may be engaged directly by either the client or CRCM, on an as-needed basis. Potential conflicts of interest resulting from such outside referrals and/or engagements will be immediately disclosed to the client in the unlikely event they should or potentially could occur.

The initial discovery meeting with new clients, which may be either in-person or by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and/or investment management services offered by CRCM may be beneficial to the client.

As of December 31, 2018, the end of the Firm's most recent fiscal year, CRCM had assets under management in excess of \$143,300,000 in 585 advisory client accounts. Of these assets, \$103,900,000 was managed on a discretionary basis in 392 accounts and the remaining \$39,400,000 was managed on a non-discretionary basis in 193 accounts.

Principal Owners

As previously stated, CRCM is wholly owned by NBT Bank, N.A. of Norwich, New York. NBT Bank currently holds 100% ownership of CRCM stock.

Types of Advisory Services

CRCM provides traditional investment advisory services, also known as asset management services, as well as financial planning and consultative services to its clients. CRCM also offers a digital investment advisory service.

- Asset management services may entail the active or passive management of investment accounts, furnishing of investment advice through consultations with clients, issuing periodic newsletters or special reports to its clients about securities and market conditions or trends and evaluating securities held by clients to foster an understanding of their assets relative to their stated goals and objectives.
- Financial planning services are provided to clients to assist them in pursuing both short- and long-range financial goals. This is accomplished through a process of collecting client information about the client's current financial condition, clarification of their goals, identification of their past efforts and current abilities in pursuit of their goals and ongoing progress reviews relative to any actions taken.
- On more than an occasional basis, CRCM may furnish consulting services to clients on matters not involving securities, such as taxation, trust management and estate planning. However, the Firm does not act in the capacity as a tax or legal advisor to its clients.
- Effective May 1, 2019, CRCM also offers a digital advisory service platform. Clients utilizing this option are allowed a high degree of self-direction in the structuring of their investment portfolio through the selection of established models while retaining the assistance of a professional investment advisor who will provide the following advisory services:
 - (i) An evaluation of the client's investment objectives and risk tolerance level.
 - (ii) Implementation of an investment program using Exchange-Traded Funds (ETF's); and
 - (iii) An adviser will be available to meet with the client upon request to discuss client's account and other financial matters, which may affect the managing of the client's account.

The Firm is compensated for its advisory services to clients through asset management fees, fixed fees or hourly fees as determined by the types of services elected by the clients. Clients may grant the Firm discretionary powers for asset management accounts which permit the executions of securities transactions within those accounts on the clients' behalves without consulting with or obtaining consent from them in advance of the transactions. As stated above, this authorization is granted in the advisory agreements initially signed by the clients.

Tailored Relationships

The goals and objectives for each client are documented at the onset of services. Investment strategies are then created that reflect the stated goals and objectives of each client. Clients may impose restrictions on investing in certain securities or types of securities, with the understanding that such restrictions may impair the Firm's pursuit of a client's management objectives.

Types of Agreements

Prior to engaging CRCM's services, clients are required to sign an agreement which defines the services that will be provided by the Firm. The following agreements define the typical client relationships between CRCM and its clients. Agreements may not be assigned or transferred to parties other than the original clients entering into the agreements. Since CRCM does not maintain custody of client assets, however, separate agreements may also need to be executed between custodial firms and the client, in addition to the agreements of the Firm described below. Since neither CRCM nor its advisors act as attorneys, their recommendations should not be interpreted as legal advice.

Financial Planning and Consulting Service Agreement

Planning or consulting service clients are required to sign a Financial Planning and Consulting Service Agreement with the Firm. This agreement outlines the nature and level of advisory services to be provided, without requiring the direct management of the client's assets.

For financial planning clients, information regarding a client's personal and financial situation and objectives is collected by the advisor through a confidential interview process. This data is analyzed and a written financial plan, with specific recommendations, is presented to clients if and when appropriate to do so.

The financial plan may include, but is not limited to a net worth statement, a cash flow statement, a review of investment accounts including reviewing past asset allocations, providing asset repositioning recommendations, strategic tax planning, education planning with funding recommendations, a review of retirement accounts and plans including recommendations and one or more retirement scenarios, a review of insurance policies and recommendations for changes, if necessary and an estate planning review and recommendations.

As previously stated, the Firm does not provide legal or accounting advice relative to its financial plans. It will, however, act as a facilitator in these areas between clients and their legal and/or tax advisors relative to the recommendations made in a financial plan.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client and may be implemented with either CRCM or with a financial advisor of the client's choosing.

Consulting services may be provided to clients regarding other financial-related concerns in situations where detailed or comprehensive financial planning is either not necessary or not desired. Common areas of concern addressed by these services include:

Education planning	Simple investment planning
Death, disability and retirement planning	Tax planning

Net worth, cash flow and financial position Risk management (insurance)
Other investment or non-investment issues Estate planning

Investment Management Agreement

Most clients choose to have CRCM manage their assets in order to obtain ongoing in-depth advice and life planning. These clients are required to sign an Investment Management Agreement which defines the manner in which their assets will be managed and the fees assessed by the Firm. The scope of work and fee for an Investment Management Service Agreement is provided to the client in writing prior to the start of the relationship. This Agreement includes the following services:

- An evaluation of the client's present portfolio and a determination of the client's investment objectives and risk tolerance level;
- Selection of the components of an investment portfolio based on the client's individual facts and circumstances;
- Implementation, monitoring and rebalancing of the portfolio through the purchase and sale of securities such as no load mutual funds, exchange-traded funds, individual equities and other securities that we deem appropriate for the situation;
- Quarterly performance reports;
- A periodic review of the client's portfolio allocation; and
- An update of the client's personal financial information, goals and objectives to determine if any changes in the portfolio design are warranted.

Based on each client's objectives and suitability factors identified in their suitability documents, the advisor will develop a plan with each client that focuses on capital preservation, income generation, growth of principal, speculation or a combination of two or more objectives. All aspects of the client's financial affairs are reviewed, including those of their dependents, if any. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

Asset management services may be provided on either a discretionary or non-discretionary basis. Under the terms of our discretionary agreement, clients authorize the advisor to buy, sell, invest, reinvest, exchange and/or trade securities in their accounts at his/her sole discretion and without consulting with the client in advance. Non-discretionary accounts require the advisor to consult with the client to gain consent and approval prior to engaging in any of these trading activities on the client's behalf.

CRCM's standard investment management fee is based on a percentage of the client's investable assets under management by the Firm according to the following schedule:

1.00% on the first \$500,000
0.75% on the next \$500,000

0.50% on assets above \$1,000,000
Minimum annual fee is \$500

Clients electing the Firm's digital platform are assessed a fee of 0.50% of the assets invested in the platform models.

This fee structure may be negotiable, at the discretion of the advisor, based on potential deviations from our standard Investment Management Agreement services. Current client relationships may exist where the fees are higher or lower than the fee schedule above due to desired deviations in the standard service structure or because a prior fee schedule has been "grandfathered" due to our long-term relationship with the client.

Retirement Planning Agreement

The scope of work and fee for a Retirement Planning Agreement is provided to the client in writing prior to the start of the relationship. A Retirement Planning Agreement includes the following services:

- Gathering of personal financial and family data in order to assess the client's current situation. This may involve the completion of a detailed fact-finding questionnaire by either the client or by our staff using supporting documents provided to us by the client;
- Conversation with the client regarding retirement goals such as age(s), income, assets, life-style, relocations, travel and other relevant matters;
- Preparation of a retirement plan projection as described in the Retirement Planning Services section;
- A thorough review of the retirement plan projection including the supporting data input and projection reports on future net worth, income, expenses and taxes; and
- Re-runs of projections based on changes in facts or assumptions geared toward helping the client achieve their retirement goals and objectives.

Our standard Retirement Planning fee is a flat fee that ranges from \$1000 to \$3000 based on the complexity of the situation and the estimated time required to effectively perform the service. This fee may be negotiable if the services desired vary from our standard service.

Retainer Agreement

In some circumstances, a Retainer Agreement may be executed in lieu of our standard Investment Management Agreement when it is more appropriate to work on a fixed-fee basis. This may be applicable in situations such as the following:

- The client requests that we periodically advise on other investments that we do not actively manage or have access to through our custodian's network, such as retirement accounts through their employer's 401(k) plan; and/or
- The client requests that we provide both ongoing Investment Management and Retirement Planning in an effort to best achieve their personal goals and objectives by integrating the two services.

Our standard retainer fee for this consolidated service ranges from \$2,500 to \$15,000 per year based on the complexity of the situation and the estimated time required to effectively perform the service. This fee may be negotiable if the services desired

vary from our standard service. The fee is also reviewed periodically as the scope of services may increase or decrease over time.

401(k) Plan Consulting and Advisory Agreement

The scope of work and fee for a 401(k) Plan Consulting and Advisory Service Agreement is provided to the client in writing prior to the start of the relationship.

This Agreement includes the following services:

- Mutual fund research geared towards advising a plan trustee on the selection of an appropriate mutual fund investment menu;
- Quarterly monitoring of a plan's mutual fund performance, expenses, management tenure, style drift and other relevant mutual fund factors; and
- Periodic group and individual meetings with plan participants to provide information on plan provisions, investment education and assistance with enrollment forms.

Our standard 401(k) Consulting and Advisory fee may be based on a percentage of plan assets, a flat fee or a combination of both. The fee structure for each client depends on the services desired, complexity of the overall plan, demographics of the participant group, geographic location(s) and other factors unique to the client and the services provided. Fees may be paid by the plan sponsor (i.e. employer), the plan participants or a combination of both according to ERISA rules and regulations. Full disclosure is provided to plan participants regarding fees assessed to them.

Termination of Agreements

A client may terminate any existing service agreement at any time by notifying CRCM in writing. A final fee may be assessed based on the number of days that have elapsed during the current quarter for investment management services or on the amount of time already spent on retirement planning or 401(k) advisory services prior to the Firm's receipt of notification of termination from the client. The Firm may also terminate any existing service agreement at any time by notifying the client in writing.

In addition, CRCM reserves the right to terminate any advisory engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in CRCM's judgment, to providing proper financial advice.

Item 5 - Fees and Compensation

Description of Fees

Within its traditional advisory services platform, CRCM bases its fees on the following methods, depending upon the nature and complexity of the service being provided:

- A percentage of Assets Under Management (AUM);
- A fixed one-time project fee;
- Flat recurring retainer fees; and/or
- Hourly Fees.

Actual fee schedules were cited previously in the Types of Agreements section. As also previously stated, fees may be negotiable and subject to change for a client as the scope and complexity of services increase or decrease over time.

Within the Firm's digital advisory platform previously described in **Item 4 Advisory Business**, clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the Digital Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution. Brokerage arrangements are further described below in **Item 12 Brokerage Practices**.

Some investment adviser representatives of CRCM are also associated with LPL Financial as broker-dealer Registered Representatives ("dually registered persons"). In their capacity as Registered Representatives of LPL Financial, these dually registered persons may earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not, however, earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through CRCM. Clients have the option of purchasing many of the securities and investment products available through LPL Financial through another broker-dealer or investment advisor should they choose to do so.

Fee Billing

Fees for Investment Management and 401(k) Consulting and Advisory Services are billed quarterly, in arrears, meaning that we invoice clients after a three-month billing period has ended, as opposed to in advance at the beginning of a billing period. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account, with the consent of the client, to facilitate billing efficiencies. Fees for Retainer Services are billed quarterly, in arrears.

Other Fees

Custodians used by CRCM, such as Schwab, may charge transaction fees on purchases or sales of certain securities, including mutual funds and exchange-traded funds. These transaction charges, if assessed, are usually small and incidental to the purchase or sale of a security and defined in the respective custodian's agreement, which is provided to and signed by the client prior to utilizing the custodian. CRCM, however, does not receive any portion of these fees, if charged by the custodian. From an asset management standpoint, the selection of securities appropriate to a client's portfolio and

their overall management plan is more important than these nominal fees, if any, that the custodian may charge to buy or sell the securities selected. If charged by any custodians utilized by CRCM, however, they would be further discussed in the **Brokerage Practices** section of this Disclosure Document.

Expense Ratios

Most mutual funds and exchange-traded funds, whether purchased directly or through custodial accounts, generally charge an internal management fee, called an expense ratio, which is separate from the advisory service fees charged by CRCM or transaction fees which might be charged by the custodians. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.50% for their services. Performance figures quoted by mutual fund and exchange-traded fund companies in various publications are after their fees have been deducted. These fees are specific to each fund and deducted from the fund's performance annually by the respective fund company. Clients are not billed directly for these fees. Any such fees, if present, are clearly defined in each fund's prospectus.

Past Due Accounts and Termination of Agreements

CRCM reserves the right to stop work on any account that is more than ninety (90) days overdue. In addition, as previously stated, the Firm reserves the right to terminate at any time, any advisory services engagement where a client has willfully concealed or refused to provide pertinent information about their financial situations when such information is deemed necessary and appropriate, in our judgment, to providing proper financial advice.

Item 6 - Performance-Based Fees

Performance-Based Fees

CRCM's fees are not based on a share of the capital gains or capital appreciation of managed securities. Such performance-based fee structures could present the Firm with a potential conflict of interest in which an advisor might be incented to recommend an investment or investment strategy that could carry a higher degree of risk to the client in pursuit of increased performance, which would in turn generate higher fees for the advisor.

Item 7 - Types of Clients

Description

CRCM's traditional advisory clients are comprised primarily of individuals but may also include employer-sponsored retirement plans, trusts and estates. Client relationships in this traditional platform may vary in scope, complexity and length of service.

Clients eligible to enroll in the Firm's digital advisory platform may include individuals, IRAs, and revocable living trusts. Non-natural clients (i.e. corporations, partnerships, government entities) and clients that are subject to the Employee

Retirement Income Security Act of 1974 (ERISA), are not eligible for the Digital Program.

Account Minimums

For traditional advisory platform clients, the minimum Investment Management account size is \$50,000 of assets under management, which equates to an annual fee of \$500. If an account falls below \$50,000 in value, the minimum annual fee of \$500 may be charged. Accounts of less than \$50,000 may be set up if the client and advisor anticipate the client will add additional funds to the accounts bringing the total up to the minimum \$50,000 within a reasonable time. Other exceptions may apply to employees of CRCM and to participants within 401(k), pension and profit-sharing client accounts. In addition, clients with assets below the minimum account size may pay a higher advisory fee annual percentage rate for their assets under management than clients with greater assets under management. CRCM may, at its discretion, waive or adjust these account minimums.

The minimum investment required to open an account in the Digital Program is \$5,000. The minimum account balance to enroll in the tax-loss harvesting feature of the Digital Program is \$50,000. Since these minimums are fixed within the Digital Program, CRCM does not have discretion to adjust or waive them.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

In developing investment strategies for advisory clients, the Firm may employ long- or short-term purchases, trading of securities within thirty (30) days and margin accounts. The development of these strategies is based on a variety of information sources and methods of securities analysis. Information sources are generally comprised of the following:

- Professional financial and investment journals;
- Financial newspapers and magazines;
- Mutual fund and exchange-traded fund research materials prepared by independent sources such as Morningstar and Fiduciary Analytics;
- Mutual fund, exchange-traded fund and company prospectuses;
- Stock and corporate rating services;
- Company press releases;
- SEC filings;
- Charles Schwab & Co.'s "SchwabLink" service; and/or
- Internet-posted sources.

Investment Strategies

The primary investment strategy used on client accounts is a strategic asset class allocation utilizing a Core and Explore approach. The asset classes used in our portfolios are:

- Stable Value (Money Market Funds and Certificates of Deposit)
- Fixed Income (Government, Corporate and Tax-Free Municipal Bonds)
- Stocks (US and International Large, Mid and Small Cap Stocks)
- Alternatives (Precious Metals, Natural Resources and Real Estate Trusts)

The portfolio Core component is built first, using primarily passively-managed index and exchange-traded funds. The Explore component is then built by using both actively-managed and passively-managed mutual funds, exchange-traded funds and, in some cases, individual stocks.

The Explore portion is used to achieve adequate diversification among all asset classes, to pursue strategic investment opportunities in specific industry sectors or geographic regions and to provide efficient investment flexibility when dealing with large or recurring cash deposits or withdrawals. Portfolios are also globally diversified in an effort to reduce the risk associated with investing solely in traditional markets.

Each client executes an Investment Objectives Outline that documents their specific objectives and desired investment strategy, as defined by the client during the initial consultations with their advisor. The client may change these objectives at any time. Information collected from the client is reviewed with the client periodically and strategies adapted to any changes in objectives and/or suitability.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Clients are advised of these various types of risk and the possibility of loss of their assets. Investment strategies are developed based on the risk tolerance of each client and the types of these risks they may be subjected to. Investment vehicles are then selected by the advisor that are deemed suitable for the client according to their respective goals, timeframes and risk tolerances to potential losses. Our investment approach constantly keeps this risk of loss in mind. Investors may face any or all of the following investment risks while pursuing their financial goals:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, mutual fund or exchange-traded fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9 - Disciplinary Information

Legal and Disciplinary

Neither the Firm nor any of its associated persons have been involved in any legal or disciplinary events related to past or present investment clients.

Item 10 - Other Financial Industry Activities and Affiliations

Financial Industry Activities

CRCM is not registered as a securities broker/dealer, a futures commission merchant, commodity pool operator or commodity trading advisor. As discussed previously, certain associated persons of CRCM are Registered Representatives of LPL Financial and may receive commissions from the sale of securities through LPL. These activities are separate from their roles as CRCM advisors. CRCM does not share in those commissions. As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about CRCM's advisory clients, even if client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please contact Leona Hoag, CRCM's CCO, to request a copy. Some associated persons of the Firm are also licensed as life and/or health insurance agents and may be compensated through separate and standard commissions for the sale of insurance and insurance-related products and services.

Affiliations

As previously stated, CRCM is a wholly owned subsidiary of NBT Bank, N.A., which is a publicly traded domestic corporation whose stock may be available to both clients

and associated persons of CRCM. Trading in NBT stock within advisory accounts has the potential to create real or perceived conflicts of interest, depending upon the timing of these trades and the ownership of accounts within which the stock is traded. To alleviate this potential, CRCM has implemented procedures which require the disclosure to clients of potential conflicts of interest associated with such trades coupled with the following trading requirements:

- Trades in NBT stock within advisory client accounts may be executed on an unsolicited basis only;
- Clients are required to sign a Letter of Non-Solicitation prior to the placing of trade orders for NBT stock within their advisory accounts;
- The CCO will initial each Letter of Non-Solicitation and enter the Letter into the respective client's file; and
- The CCO will conduct and document a post-trade review of each NBT stock transaction executed.

CRCM does not provide legal, accounting or tax preparation services to its clients. Should the need arise for those services, however, CRCM may refer the clients to attorneys or accountants who are independent of CRCM. If clients choose to use the services of those firms, they may be required to execute separate agreements with them which identify their specific services and fees. CRCM receives no compensation for such referrals.

As previously stated above, some Investment Advisor Representatives of CRCM may be insurance licensed, which allows them to sell insurance products for which they may receive standard commissions. The sale of such commissionable insurance products to clients is outside the scope of CRCM's discretionary advisory services, however. If an advisory client purchases a commission-based insurance product through one of our advisors, the commission earned will be assigned to CRCM, which is separate and distinct from fees charged for the Firm's advisory services and serves to offset Firm operating costs.

The ability to sell such products and generate commissions presents a potential conflict of interest. We believe that those potential conflicts of interest are mitigated by the following Firm practices:

- CRCM has adopted a standard of conduct under its Code of Ethics which emphasizes putting the client's interest first.
- All commissionable transactions are reviewed by senior management, with an eye toward avoiding potential conflicts of interest and providing advice that's in the client's best interest.
- Commissionable products should only be sold when they are beneficial to the client as the best possible solution to an investment or financial planning issue.
- Full disclosure of all up-front sales charges, ongoing asset-based fees and potential surrender charges should always be presented to the client before purchase.
- The client is not obligated to purchase insurance products through our advisors.
- All associated persons of CRCM, including its advisors, are compensated on an hourly or salaried basis. Commissions that are earned by an advisor from the sale

of insurance products are assigned to the Firm. Commissions earned by the sale of such products and assigned to CRCM are used to support compensation structures and other general expenses of the Firm.

- The Firm does not charge investment management fees on accounts that either generated a commission when purchased or that generate a service fee that is paid by a mutual fund or insurance company, even if CRCM is providing discretionary management services on the account.
- In some instances, depending on the size of the transaction, investment management fees may be discounted or offset, at the Firm's discretion.

Outside Business Activities

As previously stated, some associated persons of CRCM are licensed to sell life insurance products as agents and may sell commission-compensated securities products as Registered Representatives of LPL Financial. In addition, John Rice is also engaged as a sales consultant for a third-party administrator firm unrelated to his advisory practice. No associated persons of CRCM are engaged in other outside business activities above or beyond their advisory responsibilities at CRCM. CRCM does not share in compensation received by these individuals for these outside activities.

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

Code of Ethics

CRCM places the utmost priority on maintaining high standards of integrity and professionalism by its associated persons in the conduct of its advisory business. The greatest asset held by this Firm is the trust and confidence placed in it by its clients. It is incumbent upon all members of the Firm to maintain, further and adhere to the tenet that the clients' interest is paramount in all that we do. CRCM has established a Code of Ethics which has been specifically formulated to ensure that our fiduciary obligations are met. The employees of Columbia Ridge have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The following is a summary of our Firm's Code of Ethics policy:

- Adoption and maintenance of Standards of Conduct which emphasize putting our client's interests first and avoiding any conflicts of interest;
- Requirement that associated persons of our Firm comply with all Federal, State and other regulatory body securities laws and governing regulations;
- Protection of clients' nonpublic, confidential information;
- Requirement that associated persons of CRCM pre-clear certain types of personal securities transactions;
- Prohibition against the use of material, nonpublic (insider) information at all times; and
- Requirement to report any violations of these policies to CRCM's senior management immediately.

In addition, since some associated persons of CRCM have received the CFP® Certification from Certified Financial Planner Board of Standards, Inc., the Firm has

incorporated into its Code of Ethics the following key principles of CFP Board's Code of Ethics and Professional Responsibility:

Principle 1 – Integrity: *IARs, employees and officers of CRCM will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Certificants are placed in position of trust by clients and the ultimate source of that trust is the certificant's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of one's principles.*

Principle 2 – Objectivity: *IARs, employees and officers of CRCM will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which a certificant functions, certificants should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.*

Principle 3 – Competence: *IARs, employees and officers of CRCM will maintain the knowledge and skills necessary to provide professional services competently. Competence means attaining and maintaining an adequate level of knowledge and skill, and application of that knowledge and skill in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Certificants make a continuing commitment to learning and professional improvement.*

Principle 4 – Fairness: *IARs, employees and officers of CRCM will be fair and reasonable in all professional relationships, and all conflicts of interest will be disclosed. Fairness requires impartiality, intellectual honesty and disclosure of material conflicts of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interest. Fairness is treating others in the same fashion that you would want to be treated.*

Principle 5 – Confidentiality: *IARs, employees and officers of CRCM will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.*

Principle 6 – Professionalism: *IARs, employees and officers of CRCM will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to clients, fellow professionals, and others in business related activities. Certificants cooperate with fellow certificants to enhance and maintain the profession's public image and improve the quality of services.*

Principle 7 – Diligence: *IARs, employees and officers of CRCM will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.*

The Firm's Code of Ethics establishes ethical guidelines for its associated persons to adhere to relative to the following key areas of its advisory operations:

Compliance	Personal Securities Transactions
Insider Trading	Rumor Mongering
Conflicts of Interest	Outside Business Activities
Gifts and Entertainment	Code Violation Reporting and Sanctions
Recordkeeping	

All associated persons of CRCM are committed to our Code of Ethics, which is available in its entirety for review by clients and prospective clients. Copies of the Code may be requested by written request sent to Columbia Ridge Capital Management, Inc., 520 Columbia Drive, Suite 103, Johnson City, New York 13790 or by calling our office at (607) 584-4141 during normal business hours. A copy will be forwarded promptly upon receipt of a request.

Participation or Interest in Client Transactions

CRCM and its employees may buy or sell securities that are also held by clients. Associated persons are prohibited, however, from trading securities within their personal accounts ahead of trades of the same securities in client accounts, a practice commonly known as “front running”. They are also prohibited from conducting sales of securities between their personal accounts and those of advisory clients.

Personal Trading

It is CRCM’s policy to prohibit personal securities transactions by its associated persons which are or could lend the appearance of being in conflict with either client transactions or the Firm’s fiduciary responsibility to its clients. The Firm has designated Leona Hoag as its Chief Compliance Officer (CCO). As such, she conducts reviews of all associated person trading activity on a quarterly basis. These personal trading reviews ensure that the personal trading of the Firm’s associated persons does not affect the markets and that clients of the Firm receive preferential treatment at all times.

Item 12 - Brokerage Practices

Selecting Brokerage Firms

CRCM does not maintain direct physical custody of advisory client assets. All client accounts are held by outside qualified custodians, as defined by the SEC, such as a broker/dealer or bank. CRCM currently recommends that our clients utilize Charles Schwab & Co. as their qualified custodian. While we recommend that clients use Schwab as their custodian, the decision to do so ultimately rests with the client. In fact, some of our clients' accounts are held by other custodians such as TD Ameritrade and TIAA-CREF.

CRCM is independently owned by NBT Bank and is not directly affiliated with these qualified custodians beyond their retention as custodial platforms for our advisory clients' accounts. Custodians hold client assets in their respective brokerage accounts and buy and sell securities within those accounts when directed to do so by CRCM.

Although CRCM does not maintain direct custody of advisory client assets, government regulations issued by the SEC deem that we have indirect custody of your assets if you

authorize CRCM to instruct Schwab to deduct our advisory fees directly from your account or, if you grant us authority to move money from your Schwab account to another account with a separate registration (i.e. from one spouse's IRA to an account owned jointly by the IRA owner and their spouse).

How We Select Custodians/Brokers

We seek to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors in our selection process including:

- Combination of transaction execution and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payments, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.);
- Availability of investment research and tools that assist us in making investment decisions;
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, and stability;
- Prior service to us and our other clients; and
- Availability of other products and services that benefit us, as discussed below (see *"Products and Services Available to Us from Schwab"*).

Your Brokerage and Custody Costs

For our client accounts held with Schwab, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle in your Schwab account. CRCM, however, does not share in any of these fees assessed by Schwab.

Products and Services Available to Us from Schwab

Advisory client accounts are primarily maintained at, and receive the brokerage services of, Schwab, a qualified custodian and broker/dealer registered with the Securities and Exchange Commission and a member of FINRA/SIPC. While clients are required to use Schwab as custodian of their assets, the client decides whether to do so and, if so, opens its account with Schwab by entering into a brokerage account agreement directly with Schwab. We do not open the account for the client. If the client does not wish to place his or her assets with Schwab, then we cannot manage the client's account through the CSCM platforms. Clients may, however, add accounts held with other custodians (i.e. TD Ameritrade) to their overall portfolio managed by CRCM.

Within CRCM's digital advisor platform, Schwab may aggregate purchase and sale orders for Funds across accounts enrolled in the Digital Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Platform. Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co. provides us and our clients, both those enrolled in the Digital Program and our clients not enrolled in the Digital Program, with access to its institutional brokerage services— trading, custody, reporting, and related services—many of which are not typically available to CS&Co. retail customers. CS&Co. also makes available various support services, some of which help us manage or administer our clients' accounts, while others help us manage and grow our business. CS&Co.'s support services described below are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability to us of CS&Co.'s products and services are not based on us giving particular investment advice,

such as buying particular securities for our clients. The following is a more detailed description of CS&Co.'s support services:

CS&Co.'s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. CS&Co.'s services described in this paragraph generally benefit the client and the client's account. CS&Co. also makes available to us other products and services that benefit us but may not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co. also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

CS&Co. also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

CS&Co. may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. CS&Co. may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CS&Co. may also provide us with other benefits such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of such services from CS&Co. benefits CRCM because we do not have to produce or purchase them. CRCM doesn't have to pay for these services nor are they contingent upon us committing any specific amount of business to CS&Co. in trading commissions or assets in custody. With respect to the Digital Program, as described above under **Item 4 Advisory Business**, we do not pay SPT fees for the Platform so long as we maintain \$100 Million in client assets in accounts at CS&Co. that are not enrolled in the Digital Program. In light of our arrangements with Schwab, however, we may have an incentive to recommend or require that our clients maintain their accounts with CS&Co. based on our interest in receiving Schwab's services beneficial to our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This represents a conflict of interest. We believe, however, that our selection of CS&Co. as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of CS&Co.'s services and not Schwab's services that benefit only us. CRCM has adopted policies and procedures designed to ensure that our use of Schwab's services is appropriate for each of our clients.

Best Execution

CRCM reviews the execution of trades at each custodian each quarter. Our review process is documented in the Firm's Written Policy and Procedures Manual. Trading fees charged by the custodians are also reviewed on a quarterly basis. CRCM does not receive any portion of the trading fees.

In addition to these best execution reviews, the Firm's CCO may also conduct quarterly reviews of their custodians' trading accuracy and efficiency utilizing Rule 605 reports drawn from publicly available data. If any issues of potential concern are noted in these reports, relative to trading activities effecting the Firm's advisory clients, they are addressed by the CCO directly with the respective custodian at that time, resolved immediately in the client's favor and all relevant information documented accordingly.

Additionally, on an annual basis, the CCO may request and review a Rule 606 report which compares the relative performance of Schwab, as a broker/dealer, to other broker/dealers in the market place across a variety of parameters. In seeking best execution for clients, lowest transaction cost may not always be the key determinative factor however. CRCM also examines qualitative factors such as speed and accuracy of executions, value of research provided, commission rates and responsiveness to client and advisor concerns, for example. As a result, some trades may not necessarily obtain best price, within reason, but the Firm may likely achieve higher quality service across its entire trading platform and, therefore, best overall execution for its clients.

Based on these comparisons, the Firm continually seeks to ensure that the overall trading execution performance of its custodians compare favorably in the marketplace. Documentation of the Firm's ongoing Best Execution review is maintained by the CCO as a key component of its compliance books and records.

Soft Dollars

Soft dollar practices generally refer to arrangements under which investment advisors or money managers obtain products or services (other than execution of securities transactions) from or through a broker/dealer in exchange for the advisor directing client brokerage transactions to that broker/dealer.

CRCM does not have any soft dollar arrangements in existence at this time, nor does it intend to have any in the future.

Order Aggregation

Most trades that we execute for clients are mutual funds. Trade aggregation, commonly referred to as "block trading", does not benefit our clients because all buys and sells of the same mutual fund during a day receive the per share closing price at the end of the day. For exchange-traded funds and individual stocks, it is our policy to process block trades when we buy or sell the same security for multiple clients at approximately the same time. Block trades will be averaged as to price and transaction costs and will be allocated equitably among all clients for whom we are buying or selling a security. In the case of an order which is only partially filled, we will allocate the shares pro-rata based on the percentage of shares each client's order bears to the total order amount. CRCM receives no additional compensation of any kind as a result of aggregating client trades. Trades for employees of CRCM are not aggregated with those of clients.

Item 13 - Review of Accounts

Periodic Reviews

CRCM periodically monitors the composition and performance of client portfolios as a key component of its ongoing service commitment to its clients. Account reviews are conducted quarterly by our advisor team, which consists of the Firm's President and COO. Reviews at either level may be performed more frequently in response to client requests or at any time when the Firm or the individual advisor feels that specific events or market conditions dictate. Account reviews may also be performed when a client makes a relatively large deposit to or withdrawal from their managed portfolio.

Review Triggers

The Firm's advisors monitor economic and market conditions, perform due diligence reviews of securities and financial products and investigate significant gains or losses in client portfolios. Concerns in any of these areas, changes in tax laws and/or

changes in client objectives or suitability may trigger the need for off-cycle account reviews with clients as well.

Regular Reports

Clients receive regular reports regarding their advisory accounts from their advisor on at least an annual basis. Investment Management and Retainer Agreement clients, however, receive written quarterly updates. These updates may include a net worth statement which includes their investable assets, a portfolio statement which summarizes the quarter and year-to-date return on their Schwab accounts, a general Investment Review client letter and a brief note addressing high priority issues related to their overall financial objectives.

Clients are provided with transaction confirmations, notices and regular account statements directly from the custodian of their accounts on at least a quarterly basis. Copies of these items sent to clients are also simultaneously copied to CRCM.

Item 14 - Client Referrals and Other Compensation

Incoming Referrals

CRCM may receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above in **Item 12 Brokerage Practices**.

We have been fortunate to receive many client referrals over the years. These referrals have come primarily from current or former clients, estate planning attorneys, accountants, our employees and their personal friends and other similar sources. At this time, CRCM neither utilizes the services of paid solicitors to promote our advisory practice nor do we compensate anyone for referrals to prospective clients.

Referrals Out

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

Other Compensation

The Firm receives commissions assigned to it from the sale of certain types of insurance products by its advisors which may result from their activities as licensed insurance agents.

Item 15 - Custody

Account Statements

Under current government regulations, we may be deemed by the SEC to have indirect custody of your assets if you authorize CRCM to instruct Schwab to deduct our advisory

fees directly from your account or, if you grant us authority to move money from your Schwab account to another account with a separate registration (i.e. from one spouse's IRA to an account owned jointly by the IRA owner and their spouse). Only Schwab, or other qualified custodians, however will maintain actual custody of your assets. You will receive account statements directly from Schwab at least quarterly, with copies forwarded to CRCM as well. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's account statements with the periodic account statements or portfolio reports that you may receive from CRCM.

Each quarter, we send a letter to a sample group of clients asking them to confirm that they are, in fact, receiving account statements directly from Schwab or other custodians.

Performance Reports

Clients are urged to review the performance of their investments as reported on their account statements received directly from their account custodian. These statements, along with market and portfolio performance, are reviewed with each client during periodic account reviews with their respective advisor.

Net Worth Statements

Clients are periodically provided Investment Summary statements which include account balances and asset class allocations of their accounts that we manage and, in some instances, other accounts which we do not manage if the client provides us with that information on a timely basis. The main purpose of the Investment Summary is to provide a simple one-page snapshot of a client's invested assets and the asset class allocation of those investments.

Occasionally, an Investment Summary may include approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. In this case, the purpose of the Investment Summary may be for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Item 16 - Investment Discretion

Discretionary Authority for Trading

CRCM accepts discretionary authority to manage securities accounts on behalf of its clients. This discretionary authority allows us to determine and implement, without obtaining specific client consent for each trade, the securities to be bought or sold and the amount of the securities to be bought or sold as long as such trades are done within the framework of the Investment Policy Statement or Investment Objectives Agreement that the client has previously agreed to.

The client approves the custodian to be used and the commission rates paid to the custodian. CRCM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades. Discretionary

trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment strategy that you have approved in writing. The clients do retain the right to place limitations on the advisor's discretionary powers. If any such limitations or restrictions are specified, they are clearly defined within the advisory agreement or Investment Policy Statement at the outset of services. Subsequently, restrictions may be added or dropped from the client's authorization by submitting a request in writing to the Firm.

Limited Power of Attorney

A limited power of attorney (LPOA) for a brokerage account is a trading authorization that you provide us so that we can make trades in your account(s) on a discretionary basis as stated above. The LPOA approval requires your signature or initials on the custodian's account application form and may be revoked by you at any time.

Item 17 - Voting Client Securities

Proxy Votes

CRCM does not vote proxies on securities. Clients are expected to vote their own proxies and account custodians are directed to forward all proxy voting materials directly to the clients. If assistance on voting proxies is requested by a client, CRCM will provide recommendations only. If any conflict of interest might exist relative to advising the client on proxy issues, it will be disclosed to the client.

Item 18 - Financial Information

Financial Condition

CRCM does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients. Neither the Firm nor any associated persons have been a party in any bankruptcy proceedings. Since CRCM does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1200 per client six months or more in advance, it is not required to prepare or provide a financial balance sheet to clients.