

## **Cross Staff Investments, Inc.**

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**January 1, 2020**

### **Form ADV Part 2A Brochure**

Cross Staff Investments, Inc., doing business as Candace Shira Associates, LLC, is a registered investment advisor with the United States Securities and Exchange Commission ("SEC"). A "registered investment advisor" means any entity which, for compensation, engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or which, for compensation and as a part of regular business, produces planning documents concerning individuals, or companies, overall financial health. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

**This brochure provides information about the qualifications and business practices of Cross Staff Investments, Inc. If you have any questions about the contents of this brochure, please contact us at (585) 249-1550 or through our website at [www.candaceshira.com](http://www.candaceshira.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. Registration does not imply a certain level of skill or training.**

**Additional information about Cross Staff Investments, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Material Changes – Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this Brochure, which was dated January 1, 2019.

Item 4 was updated to reflect the current assets under management of the Firm as of December 31, 2019.

Item 10 was updated based on regulatory changes to the CFP® rules.

### **Table of Contents – Item 3**

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#### **Advisory Business – Item 4**

- A. Cross Staff Investments, Inc., doing business as Candace Shira Associates, LLC (“the Firm” or “CSI”) is a registered investment advisor based in Pittsford, NY. The Firm is incorporated under the laws of the State of New York. The Firm has been incorporated since December 2012. Before Cross Staff Investments, Inc., the advisors were Investment Advisor Representatives providing advisory services under other registered investment advisors. The Firm is considered fiduciaries due to the type of services we provide.

The principal owner of the Firm is Candace Shira, sole owner and President.

- B. The Firm offers the following services personalized to each individual Client:
- a. Financial Planning
  - b. Investment Management
  - c. Use of Third Party-Money Management

Our Financial Planning service involves general recommendations as to asset allocation or security selection of either a selected account, or across a Client’s entire financial portfolio. The Client determines what accounts and/or assets we will review and provide advice on. Some of the areas that we may focus on are cash flow, retirement, asset allocation, estate, or education analysis, as well as budgeting reviews. The Firm may provide periodic investment review for accounts held outside of the Firm’s affiliation (i.e. 401K, 403B, etc.) if requested by the Client. For these types of reviews, the Clients will be expected to provide a copy of their most recent statements, as well as the investment choices for the account, if applicable.

The Client may choose to give the Firm authority to discuss their financial matters with attorneys, tax preparers, their bank, health care professionals, etc. to allow the Firm to better assist the Client in their financial planning. Such authority will be given in writing and/or documented in the Client’s file maintained at the Firm.

The Firm may also be given discretionary authority for only those accounts held at the custodians the Firm works with by agreement. This allows the Firm to conduct trades deciding on security, amount, and whether to buy or sell, if necessary.

Investment Management securities are limited to publicly traded stocks, mutual funds and exchange traded funds as well as bonds and certificates of deposit. Clients may hold all or only a portion of the securities listed here. The Firm may also utilize Third-Party Money Managers to provide investment management services, which may include other investments than those listed here. The advisor and/or Client will determine which type of securities will be utilized for management.

The Firm and Client may decide to utilize a Third-Party Money Manager to assist in making trading decisions in a Client’s account. Currently the Firm utilizes Advisor’s Asset Management and SEI. The Firm also has access to Schwab’s Managed Platform which has additional Third-Party Money Managers the Clients can choose from. The Firm will conduct due diligence on all Third-Party Money Managers prior to introducing them to a Client. All Third-Party Money Managers will provide their individual ADV Part 2a (and 2b if necessary) which will provide more in-depth information regarding the Third-Party Manager and their investment style, fees, etc.

- C. The Firm tailors our advisory services to the individual needs of the Clients. The Client may at times impose investment restrictions on certain securities or types of securities. Those investment

restrictions will be monitored by the advisor as well as by the Firm. If investment restrictions are in place it may affect the overall performance of the Clients' accounts.

- D. Cross Staff Investments does not participate in a wrap fee program.
- E. Cross Staff Investments manages \$304,187,921 of assets on a discretionary basis and \$4,743,048 of assets on a non-discretionary basis as of December 31, 2019.

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

Cross Staff Investments, Inc. charges fees based on the type of service that is agreed upon by the Client and advisor. Fees for all services may be negotiated by the Firm with the Client and fees may vary based on a pre-existing relationship, levels of service the Client wants performed, complexity of the Client's overall financial situation or based on other unique Client circumstances. A Client will also be responsible to assume trading charges, such as ticket charges, maintenance or other account fees as charged by the custodian or Third-Party Money Manager. Internal mutual fund fees are also an expense that the Client will bear.

For accounts managed by CSI, investment management fees are based on the below schedule and charged quarterly in arrears. Only those assets that are managed are included in the calculation of the fee. All Clients' accounts may not be assessed a fee. Fees are determined through a discussion between the Advisor and Client. The Firm will send invoices to Clients on a quarterly basis. Item 12 discusses additional information regarding assets held in brokerage accounts. Again, this schedule may be reduced or increased based on a specific situation of a Client, however all fees are based on this tier and discounted or increased as the Client, Advisor and/or Firm see fit. The Client in all cases will sign off on the initial fee agreement and will acknowledge a fee change either by signing a new agreement or receiving a negative consent notice from the Firm of a fee change. This policy is stated within the Firm's agreement. However, if the Advisor wishes to charge above 1% the Firm's Chief Compliance Officer must approve the fee prior to the signing of the agreement.

#### **Managed Account Fee Schedule**

##### Tier 1

\$0-\$500,000	0.85%
\$500,000+	0.60%

##### Tier 2

\$0-+	0.85%
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##### Tier 3 – Fixed Income/Transitional/Distribution Accounts

\$0 - +	.30%-.60%
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##### Tier 4 – American Fund only Accounts

\$0 - +	.50%
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For Financial Planning and ongoing investment monitoring, these services will be charged either a one time or ongoing fee, which will be assessed hourly, quarterly or semi-annually in arrears. The hourly base fee is currently \$350/hour. The initial ongoing charge is \$1,500/annually. The annual fee will be divided into either four (4) quarterly payments or two (2) semi-annual payments and charged in arrears. These fees may be negotiated based on the services the Clients wish to engage in with the Firm, so they may be more or less than what is stated here. Again, this schedule may be reduced or increased based on a specific situation of a client, however all fees are based on this tier and discounted or increased as the

Advisor and/or Firm see fit. The Client in all cases will sign off on the initial continuation of services or hourly agreement and will acknowledge a fee change either by signing a new agreement or receiving a negative consent notice from the Firm of a fee change. This policy is stated within the Firm's agreement.

For Clients who wish to pay an hourly fee, an invoice is mailed to the Client or presented to the Client at the time of completion of the service or at the end of the quarter or semi-annual period. The Client typically pays these fees directly to the Firm. For Clients who pay an ongoing financial planning fee directly from their Schwab account an invoice is mailed to the Client annually in January for the previous year's charges. If they wish to have the fee deducted through their Schwab account, the Client must complete Schwab paperwork to that effect. If the Client chooses to pay the Firm directly the Client will receive an invoice on a quarterly or semi-annual basis and will remit payment directly to the Firm via check. The Firm will make arrangements when specifically requested by the Client for other alternative payment arrangements. In any case all payments will be made in arrears.

Investment advice may also include a discussion of traditional insurance products, which may be offered by the appropriately licensed advisors of the Firm. The advisors will receive a commission to sell the product, however the Firm does not charge a fee for investment advice regarding the product.

Should the Firm's advisors utilize mutual funds within the advisory portfolio, the fund company may pay a marketing fee under Section 12b-1 of the Investment Company regulations depending upon the share class of the Fund. If the Advisor does receive such fee, the total fee received, including the 12b-1 fee, will not exceed the stated maximum fee allowed by the Firm which is 1%. Currently, the Firm does not receive any Section 12b-1 fees for accounts that are held at the Firm's custodians.

The Advisor and Client may choose to utilize a Third-Party Money Manager to invest the Client's account. The Advisor will have entered into a selling agreement or similar relationship with the Third-Party Money Manager, if required. This relationship is agreed upon and acknowledged by the Client, the Third-Party Money Manager and the Advisor. The fees for such relationship will be based on the Third-Party Money Manager's fee schedule and minimum investment requirement, if any. The Client will be given the ADV Part 2A for the Firm and the Third-Party Money Manager, as well as any applicable Part 2Bs for the Firm and Third-Party Money Manager. The Third-Party Money Manager fee is not included within the fee charged by the Firm.

#### **Performance Based Fees and Side by Side Management – Item 6**

Cross Staff Investments, Inc. does not accept performance-based fees.

#### **Types of Clients – Item 7**

We offer investment advisory services as stated above to individuals, trusts, small businesses, and estates.

The Firm currently does not require a minimum account size.

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

The Advisors of Cross Staff Investments, Inc. will utilize various methods to manage Client assets. These methods are based on Client's individual objectives, risk tolerances as well as their overall financial condition. The Firm uses traditional methods of researching specific investments, which may include mutual funds, individual publicly traded securities, or exchange traded funds. The Firm may also utilize Certificates of Deposits and bonds in certain situations. The Firm utilizes software, fund managers and industry specific periodicals when researching securities for investing. The Advisors may use a Third-Party Money Manager to assist in the management of the Client's investments.

All investments come with the risk of losing money. Investing in individual securities may carry significantly more risk than a diversified mutual fund or exchange traded fund. Generally speaking investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for all individuals. Investments are not insured by the government to protect against market losses. Clients should be able to assume these types of risks. Different securities carry different types and degrees of risk and Clients should familiarize themselves with the risks involved in the particular securities they intend to invest in. It is important to note that for all investments past performance is not indicative of future results as many factors weigh on the performance of any particular investment.

### **Disciplinary Information – Item 9**

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to an individual's evaluation of the Firm or the integrity of its management. There is no history of legal or disciplinary events by the Firm, the management or advisors.

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

Cross Staff Investments, Inc. has a custodial relationship with Charles Schwab, SEI American Funds, and Security Benefit. These relationships do not present a conflict of interest as we do not receive economic benefit from these entities, nor are we affiliated with them. Ms. Shira and Ms. Kay are also licensed insurance agents and can effect transactions in various insurance products such as, life, health, disability, long-term care, and fixed annuities. Ms. Shira earns commissions for these activities. The Firm's advisory Clients may also be insurance Clients. Clients are instructed that the fees paid to the Firm for advisory services are separate and distinct from the commissions earned by Ms. Shira for placing the Client in a traditional insurance product. Clients are not obligated to utilize Ms. Shira for their insurance services; they may use any insurance brokerage firm and agent of their choice. Ms. Kay currently does not solicit insurance products to Clients. Her role is solely administrative in nature.

The receipt of insurance commissions represents a potential conflict of interest due to the receipt of both advisory and commission compensation. Cross Staff Investments, Inc. has policies and procedures in place to monitor Client transactions. Should Cross Staff Investments, Inc. find that an Advisor has not acted in the best interest of the Client, Cross Staff Investments, Inc. may cancel the transaction. This is on an individual basis and is discussed and agreed upon by the Client and the Advisor. It is important to note that the Firm does not receive any commissions on advisory accounts. Commissions are received solely for the sale of traditional insurance products as stated above. In any event, all Client transaction costs will be disclosed to the Client. Ms. Shira spends less than 5% of her time in her capacity as an insurance agent. The Firm charges some Clients based on an agreement a percentage of assets under management. This is a potential conflict of interest as the Firm will make more in fees if the Client has more assets under management. The Firm addresses this conflict by reviewing Client fees regularly and may not charge on all assets under management. Also, the Firm does not make it mandatory for its Clients to have all investment assets under management. It is the sole discretion of the Client what assets the Firm manages.

Cross Staff Investments, Inc. may recommend that Clients use a Third-Party Money Manager, with whom the Firm has established a selling agreement, as a part of our asset allocation and investment strategy. Cross Staff Investments, Inc. will receive compensation on Third-Party money managed accounts for overseeing the Client's account with the manager. This means that the Advisor has the ability to make allocation changes and/or the ability to terminate the relationship with the money manager. The use of and fees associated with a Third-Party Money Manager is agreed upon by the Client. By signing the Firm's agreement, the Client understands and accepts the Firm's potential Conflicts of Interest and management of same.

## **Code of Ethics – Item 11**

The Firm maintains Code of Ethics procedures which were created to supervise potential conflicts of interest between trades placed on behalf of a Client account and Advisors of CSI's personal trading. The Code describes its high standard of business conduct and fiduciary duty to its Clients.

The Code includes CSI's policies and procedures developed to protect Client's interests in relation to the following topics: the duty to place the interest of the Client first, requirement that personal securities transactions be conducted to be consistent with the Code, responsibility to avoid any actual or potential conflict of interest or misuse of an advisor's position of trust, and the confidentiality of the Client's information concerning the identity of the Client's security holdings and financial circumstances. When a trade is placed for multiple Clients in the same stock, at the same time with Schwab, Schwab will use an average price when allocating the trades to the individual Client accounts. This allows for Clients to receive the same price for the stock trade.

In addition, the Code requires pre-clearance of Initial Public Offerings (IPO) and private placements, and review of Advisors personal trading so that the Advisor does not benefit from known Client trades. Trading conducted in an Advisor's accounts is monitored under the Code to reasonably prevent conflicts of interest between CSI, the Advisor and its Clients.

The Code is reviewed on an annual basis by the Firm's CCO and annual training is conducted for all Advisors of the Firm.

Clients and prospective Clients may request a copy of the Firm's Code of Ethics by contacting the Firm's Chief Compliance Officer at 585-249-1550.

## **Brokerage Practices – Item 12**

### **Suggestion of a Broker**

Cross Staff Investments, Inc. has a custodial relationship with Charles Schwab & Company, Inc ("Schwab"), a FINRA-registered broker dealer. Advisors of Cross Staff Investments, Inc. will suggest Schwab for brokerage and custodial assets. Clients however can enter into a continuous financial planning relationship with the Firm and utilize a custodian of their choice.

SEI's affiliated custodian, SEI Private Trust Company (SPTC) is utilized for assets held with SEI. SPTC may charge the Client a fee for their services. SPTC may also provide trust, custody and/ or record-keeping services to SEI Clients. For additional information on SEI or SPTC please review SEI's Form ADV Part 2A.

American Funds clears through Capital Bank & Trust. Only Clients that hold American Funds can be placed here. The Firm uses American Funds in an advisory capacity. If a Client wishes to have their assets held directly at American Funds, they may be limited to share class availability.

### **Research and Other Soft Dollar Benefits**

The Firm does not engage in research or other soft dollar benefits.

### **Brokerage for Client Referrals**

Cross Staff Investments, Inc. does not receive Client referrals from any custodial relationship, nor does the Firm receive any other benefits from any custodian in exchange for Client referrals.

### **Use of an outside custodian**



Cross Staff Investments, Inc. has a custodial agreement with Charles Schwab. For Clients who wish to custody their assets at another broker-dealer the Firm will provide financial planning services to the Client. The Client will be responsible to execute their own trades in their account based on the suggestions of the Firm.

### **Review of Accounts – Item 13**

Cross Staff Investments, Inc. will monitor Client's accounts on a periodic basis. The Firm will monitor the Third-Party Money Managers to ensure their performance and investment style remains aligned with Client's investment goals and objectives.

The Advisor of the account will conduct ongoing reviews of the Client's portfolio holdings. Ms. Kay, the Firm's Chief Compliance Officer, will conduct random account reviews on a monthly basis to oversee the accounts. Ms. Kay will conduct other supervisory reviews as needed.

Clients will receive statements directly from the custodian(s) on at least a quarterly basis. Clients are reminded annually to contact the Firm and/or custodian if they are not receiving their statements.

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

The Firm does not currently receive Client referrals or other compensation other than commissions from insurance sales as previously disclosed herein.

### **Custody – Item 15**

Cross Staff Investments, Inc. does not have custody of Client's funds or securities. Clients will receive account statements at least quarterly from the custodian. Clients should review their statements for accuracy and contact their Advisor with any questions. The custodial statement is the official record of the Client's account for tax purposes.

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

For investment management and financial planning accounts held with Schwab, the Firm is given discretion over the purchase and sale of securities held. The Firm will decide the type of security, the amount and whether to buy or sell. This privilege is given to the Firm by the Client through the execution of the Advisory Agreement, Continuation of Services Agreement and/or paperwork from the custodian and/or the Third-Party Money Managers. Clients who wish to place an investment restriction on the account must notify their Advisor.

For accounts held at Third-Party Money Managers, the manager will have discretion over the account regarding the individual securities held. The Firm may have discretion over the type of portfolio that is managed by the Third-Party Money Manager. Again, this privilege is given by the Client to the money manager and the Advisor through the Third-Party Manager's agreement. If the Client wishes to place an investment restriction on the account, the Client must notify the Advisor. The Advisor will notify the Third-Party Money Manager. Should a Client wish to place an investment restriction on any account it may affect the performance or diversification of the account.

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

Cross Staff Investments, Inc. does not vote proxies for Client securities. If a proxy is received at the office, it will be forwarded to the Client for their review and voting.

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

We are required in this Item to provide you with certain financial information or disclosures about Cross Staff Investments, Inc.'s financial condition. The Firm does not require the prepayment of fees. Additionally, the Firm has no financial liability that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.