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This brochure provides information about the qualifications and business practices of Cypress Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 312-397-9090 or at [info@cypresscapitalpartners.net](mailto:info@cypresscapitalpartners.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Cypress Capital Partners, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Cypress Capital Partners, LLC is a registered investment adviser with the SEC. Registration does not imply a certain level of skill or training.

## **ITEM 2 - MATERIAL CHANGES**

There were no material changes made to this Brochure since the last annual ADV filing on March 29, 2019. Cypress Capital Partners, LLC has updated the brochure to more comprehensively address the items.

Our Brochure may be requested by contacting William Laughridge at 312-397-9090.

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## **ITEM 4 - ADVISORY BUSINESS**

Cypress Capital Partners, (“CCP”) is a professional investment advisor, founded in 2006, specializing in municipal bond portfolio management. From our office in Chicago, Illinois, Cypress Capital Partners is positioned to serve a diverse national client base, such as corporate executives, small business owners and commercial banks.

Our mission is to create customized municipal bond portfolios based upon each client’s objectives, goals, liquidity, income and tax status while maximizing after-tax returns. Using a systematic, proactive approach, our goal is to produce taxable or tax-exempt income, preserve capital and reduce the client’s overall portfolio risk. Cypress Capital Partners will identify customized solutions designated to meet the client’s investment needs, while emphasizing the maximization of after-tax returns.

Cypress Capital Partners, LLC was established in 2006 and is wholly owned by management. The principal owners of Cypress Capital Partners, LLC are Cheryl Laughridge (50%), Andrea Hosbein (25%) and William Laughridge (25%).

As of January 1, 2019 Cypress Capital Partners managed approximately \$334,720,000 in regulatory assets under management on a discretionary basis.

## **ITEM 5 - FEES AND COMPENSATION**

Cypress Capital Partners, LLC charges the client a fee based upon the assets under management.

The fee structure based upon assets under management is as follows:

\$2,000,000 to \$14,999,999	0.32%
\$15,000,000 to \$49,999,999	0.27%
\$50,000,000 to \$99,999,999	0.24%

The services included with the fee are as follows:

- The fee includes professional investment management, including research and security selection.
- Custody of securities at a national custodial firm
- Regular comprehensive reporting
- Access to accounts via the custodian’s website
- Tax reporting and monitoring of capital gains and losses

The fee is billed quarterly and payable at the end of the quarter for the management

services provided (in arrears). The fee is calculated on the market value of the assets under management and is adjusted to reflect additional funds contributed or withdrawn during the quarter. CCP allows the client to decide whether the fee is automatically deducted from their account at the safekeeping firm or whether they would prefer to remit a check for their fee.

On occasion, special requirements of the client result in advisory contracts with terms or fee arrangements differing from those set forth in CCP's standard fee arrangement. This includes situations in which the fee may be negotiated.

CCP's fees are exclusive of transaction fees, and other related costs and expenses which shall be incurred by the client. In addition to CCP's fees, clients may incur certain charges imposed by custodians such as wire transfer fees.

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

CCP does not engage in performance based fee arrangements.

## **ITEM 7 - TYPES OF CLIENTS**

Cypress Capital Partner's clients are high net worth individuals.

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

### **Research Process**

CCP's investment philosophy emphasizes the selection of securities for client portfolios by means of fundamental analysis. Based on the nature of the prospects for the issuing municipality, which may be assessed by reference to its prior financial history and CCP's knowledge of the region, CCP will reach a judgment on the value of the municipal relative to its current price.

### **Municipal Fixed Income**

CCP's fixed income philosophy is founded on the belief that excess returns are achieved by investing in municipalities that offer relative value within the context of current pricing and CCP's top-down forecast. For municipal bond portfolios, CCP's emphasis is on segments of the yield curve that offer strong risk/reward characteristics and capture trading inefficiencies unique to the municipal bond market.

### **Investment Restrictions**

Concentration limits on investments may be imposed to maintain a desired level of diversification in client portfolios. These limits include security-specific limits, state concentration limits.

## Principal Investment Risks

Investing in securities involves risk of loss that clients should be prepared to bear. While CCP's investment approaches are designed to mitigate risk, there is no guarantee that clients will not lose money. Following are the various types of risk that may be present depending on the level of exposure the strategy has to a particular type of investment:

### Market Risk

The price of a bond 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.

### Issuer Risk

The price of any security issued by a municipality may drop in reaction to events and conditions that impact the finances of a particular credit, state or region. For example, changes in elected officials or tax structure.

### Interest-rate Risk

Fluctuations in interest rates may cause prices of fixed income securities to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

### Credit (Default) Risk

The owner of a fixed income security may lose money if the issuer is unable or unwilling to make timely principal and/or interest payments or to otherwise honor its payment obligations. Further, when an issuer suffers adverse changes in its financial condition or credit rating, the price of its debt obligations may decline and/or experience greater volatility. These adverse changes can also affect the liquidity of an issuer's debt securities and make them more difficult to sell.

### Prepayment Risk

When the issuer of a fixed income security has the right to prepay principal, if it exercises that right earlier or at a higher rate than expected, an investor may incur losses from being unable to recoup the initial investment and/or from having to reinvest in lower-yielding securities. This can have an adverse effect on income, total return and/or price of the security. Prepayment risk tends to be highest in periods of declining interest rates. Housing bonds and BABs are subject to prepayment risk.

### Reinvestment Risk

This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (e.g., interest rate).

## Liquidity Risk

Liquidity is the ability to readily convert an investment into cash. The less liquid an asset is, the greater the risk that, if circumstances require an investor to sell the asset quickly, it will be sold at a price below fair value. Generally, an asset is more liquid if it represents a standardized product or security and there are many traders interested in making a market in that product or security.

## 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.

## Counterparty Risk

The institutions (such as banks) and prime brokers with which a manager do business, or to which securities have been entrusted for custodial purposes, could encounter financial difficulties. This could impair the operational capabilities or the capital position of a manager or create unanticipated trading risks.

## **ITEM 9 - DISCIPLINARY INFORMATION**

Neither the Firm nor any employees are subject to any legal or disciplinary proceedings.

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

No persons employed at Cypress Capital Partners, LLC are registered representatives of a broker-dealer nor are they registered as a futures commission merchant, commodity pool operator or a commodity trading advisor or an associated person with any such entities. No conflicting relationships exist between CCP and any other financial entity or person. CCP does not select or recommend other financial advisors for its clients.

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

Cypress Capital Partners, LLC has a Code of Ethics in place to which all employees are subject. The objective of the Code of Ethics is to assure that employees do not engage in insider trading or purchase or sell securities in their personal accounts that would in any way conflict with transactions executed on behalf of the Firm's clients. All employees are required to submit copies of brokerage and any other investment accounts in which they have a beneficial for review by the Firm's Chief Compliance Officer.

All municipal securities transactions must be reviewed by Bill Laughridge, Chief Compliance Officer to assure that appropriate priority and consideration has been given to client accounts and that no conflict exists in regard to employee personal investments.

Our Code of Ethics is available upon request from Bill Laughridge at [wlaughridge@cypresscapitalpartners.net](mailto:wlaughridge@cypresscapitalpartners.net)

## **ITEM 12 - BROKERAGE PRACTICES**

CCP seeks best execution in all securities transactions executed through the network of municipal brokers and dealers with which the Firm has relationships. Generally, the price at which a security is purchased or sold and the charges associated with transactions are indicative, but not determinative, of best execution.

A broker or dealer that offers the lowest cost securities is not necessarily the broker or dealer that provides best execution. CCP seeks to execute securities transactions for clients in such a manner that clients' total cost in each transaction is most favorable and, in selecting brokers or dealers, considers the factors it deems relevant including:

- Availability of suitable securities.
- The nature and character of the security or instrument being traded and the existing and expected activity in the markets in which the security or instrument is purchased or sold.
- The desired timing of the transaction.
- The Firm's knowledge of market levels of comparable securities and prevailing bid/ask spreads.
- A broker's or dealer's capital strength and stability, its execution, clearance and settlement capabilities, and the reasonableness of the prices offered for specific securities.
- The quality and extent of the research services provided by the broker or dealer.
- A broker's or dealer's responsiveness and the full range of services provided are also factors considered in selecting transaction counterparties.

CCP does not engage in any soft dollar arrangements (i.e. using commissions or markups as payment for investment related products). CCP does not engage in any arrangements where commissions or any transaction related charges are used to compensate brokers or dealers or any other entities for client referrals. CCP generally does not accept accounts requiring directed brokerage arrangements. The disparate nature of the municipal market requires that the Firm have the flexibility to utilize any broker or dealer that offers securities suitable for use in client accounts and the ability to seek to attain most favorable pricing when securities are purchased or sold.

In the unlikely event a client directs the use of a particular broker-dealer, there can be no assurance that the desired securities will be available or the most favorable price or execution will be achieved. Newly purchased securities are allocated at the Firm's discretion among accounts with the objective of attaining equitable allocations on an overall basis. Individual portfolio characteristics such as duration relative to target level, representation in strategies utilized by the Firm, existing holdings of an issuer's securities



and state and alternative minimum tax considerations are considered when making allocations. If a portion of a block of bonds held in several accounts is sold, accounts chosen to participate in the sale will be based on account portfolio structures relative to target levels, capital gains considerations and state tax implications.

The Firm does not swap bonds between non-related accounts.

### **ITEM 13 - REVIEW OF ACCOUNTS**

All accounts are reviewed at least quarterly on a holding by holding basis to assure that portfolios are adequately diversified and structured in accord with the Firm's duration targets for the accounts. Reviews of credit are ongoing. All clients are asked at least annually regarding account beneficiaries' state of residence, whether they are subject to the alternative minimum tax and whether long and short-term capital gains and losses have been realized in other components of their overall portfolios that might influence the Firm's trading strategies.

Cypress Capital Partners, LLC sends clients quarterly reports that provide listings of assets managed at quarter end, average purchase yield to maturity, investment performance and investment management fees charged.

### **Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

CCP does not compensate, either directly or indirectly, any person for client referrals.

### **ITEM 15 - CUSTODY**

CCP does not custody any client assets. All client assets are held by a qualified custodian. Accordingly, clients should be receiving monthly statements from a qualified custodian. CCP prepares and delivers to all clients valuations of their accounts quarterly, showing cash and all currently held investments categorized by maturity market value and unit cost. Clients may request more frequent or detailed reports in accordance with their individual needs. CCP has a reasonable belief that the custodian is sending statements in accordance with SEC's Custody Rule. Reports or statements produced by the Firm are provided to clients. The client is urged to compare the information provided by CCP with the statements provided by the custodian.

### **ITEM 16 – INVESTMENT DISCRETION**

Accounts are only accepted on a discretionary basis on behalf of clients. Authority to act on clients' behalf is granted through the Firm's investment advisory agreement. Reasonable client restrictions regarding credit quality, liquidity parameters or types of securities can be incorporated into the Firm's investment process.

### **ITEM 17 - VOTING CLIENT SECURITIES**

Proxies are not applicable to securities issued by municipal entities or by the U.S. government or its agencies. Therefore, the Firm does not vote proxies and does not have a policy regarding proxies.

## **ITEM 18 - FINANCIAL INFORMATION**

CCP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **ITEM 19 – REQUIREMENTS FOR STATE REGISTERED ADVISERS**

Not applicable.

Part 2B of Form ADV  
Brochure Supplement  
March 30, 2018

Cypress Capital Partners, LLC  
Chicago, IL 60611  
312-397-9090

[www.cypresscapitalpartners.com](http://www.cypresscapitalpartners.com)

This brochure supplement provides information about William Laughridge, Andrea Hosbein and Cheryl Laughridge that supplements the attached Cypress Capital Partners, LLC Brochure.

Please contact William Laughridge, Chief Compliance Officer, if you have any questions about the contents of this supplement.

## William Laughridge

### **Educational Background and Business Experience**

### **Disciplinary Information**

William Laughridge is not a party to any legal action or subject to any regulatory proceedings.

### **Other Business Activities**

Mr. Laughridge is not engaged in other investment related businesses or occupations.

### **Additional Compensation**

Mr. Laughridge receives no additional compensation for providing advisory services beyond that provided by Cypress Capital Partners, LLC.

### **Supervision of Investment Professionals**

All investment professionals are supervised by William Laughridge, the Chief Compliance Officer. Mr. Laughridge determines the advice that is provided to clients and instructs the investment professionals accordingly. He also monitors employee compliance with the Firm's Policies & Procedures, Code of Ethics and Privacy Policy. Mr. Laughridge may be reached at 312-397-9090