

FORM ADV PART 2A

Cloud Capital LLC

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This brochure provides information about the qualifications and business practices of Cloud Capital LLC (“Cloud Capital”). If you have any questions about the contents of this brochure, please contact us at (918) 492-1080. 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 Cloud Capital also is available on the SEC’s website at www.advisorinfo.sec.gov.

December 31, 2019

Material Changes

None

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Advisory Business

General Information.

Cloud Capital LLC, a Delaware limited liability company (“Cloud Capital”), commenced operations in December of 2008. Randy Cloud is the sole owner of Cloud Capital. Cloud Capital currently provides investment advisory services to individuals, banking or thrift institutions, pension and profit sharing plans and other entities.

Cloud Capital provides investment advisory services to separately managed accounts. Advisory services may be tailored to the needs of the individual client as set forth in the investment advisory agreement between each client and Cloud Capital. Cloud Capital also provides investment management services to 401k and defined benefit plans as well as collective funds administered by trust companies for use by 401k and defined benefit plans. Investment advisory services are delivered from a fully discretionary perspective.

As of December 31, 2019, Cloud Capital had approximately \$252,176,834 in assets under management.

Fees and Compensation

Cloud Capital generally charges clients based on a percentage of assets under management. Generally, clients are charged between 0.1% and 3.0% annually, depending on the size of, and services provided to, the account and as otherwise negotiated between Cloud Capital and each client. Notwithstanding the foregoing, Cloud Capital may also provide investment advisory services for a fixed fee or for fees charged on an hourly basis.

The client's custodian generally deducts Cloud Capital's management fees from client accounts and remits them to Cloud Capital on a monthly basis in arrears. In addition to management fees charged by Cloud Capital, clients also pay third parties for mutual fund expenses, custodian fees, brokerage expenses and other transactional expenses incurred in managing the account. See additional information under “*Brokerage Practices*” below.

Performance-Based Fees and Side-By-Side Management

Cloud Capital does not have any performance-based fee arrangements.

Types of Clients

Cloud Capital provides individualized account services to individuals, pension and profit-sharing plans, and other entities. Cloud Capital may also provide advisory services to collective funds and registered investment companies. See additional information below under “*Other Financial Industry Activities and Affiliations*”. While Cloud Capital may make exceptions, the minimum portfolio value eligible for services is generally \$2,000,000.

Methods of Analysis, Investment Strategies and Risk of Loss

Method of Analysis and Investment Strategies.

Cloud Capital generally selects individual stocks, mutual funds and ETFs for client accounts. In making selections of individual stocks for client portfolios, Cloud Capital may use any of the following strategies and methods of analysis:

Enhanced Indexing – purchasing all or most of the constituents in a given benchmark index, but in different percentage allocations than the index in an attempt to create added return or lower risk.

Fundamental Analysis – involves review of the business and financial information about an issuer. Without limitation, the following factors generally will be considered:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios.

Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

In addition to the foregoing investment strategies, Cloud Capital may design investment strategies for individual advisory accounts based on the investment objectives, risk tolerance and financial circumstances of the individual client.

Risk of Loss.

While Cloud Capital actively manages client portfolios in an effort to achieve returns and reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client portfolios face.

- *Management Risks.* While Cloud Capital manages client portfolios based on Cloud Capital's experience, research and proprietary methods, the value of client portfolios will change daily based on the performance of the underlying mutual funds and other securities in which they are invested. Accordingly, client portfolios are subject to the risk that Cloud Capital allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that Cloud Capital's specific investment choices could underperform their relevant indexes.
- *Economic Conditions.* Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws may adversely affect the business prospects or perceived prospects of companies. While Cloud Capital performs due diligence on the companies in which it invests, economic conditions are not within the control of Cloud Capital and no assurances can be given that Cloud Capital will anticipate adverse developments.

- *Lack of Diversification.* Cloud Capital client portfolios may not have a diversified portfolio of investments at any given time. While investing large amounts of assets in a very small number of companies or industries or types of investments from time to time will be easier for Cloud Capital to monitor the investment portfolios, a substantial loss with respect to any particular investment in an undiversified portfolio will have a substantial negative impact on the aggregate value of the portfolio.
- *Equity Securities.* Cloud Capital will invest portions of client portfolios into domestic and international equity securities. Investments in stocks and other equity securities are subject to the risks of declines in these equity markets.
- *Sector Concentration.* Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If Cloud Capital invests client portfolios more heavily in a particular sector, the value of its shares may be sensitive to factors and economic risks that specifically affect that sector. As a result, the value of the portfolio may fluctuate more widely than the value of a portfolio invested in a broader range of industries.
- *Foreign Securities.* While foreign investments are important to the diversification of client investment portfolios, foreign investments are subject to political or stability risks not generally found in the United States, such as nationalization, confiscation without fair compensation, political or social instability and war. Foreign securities also involve currency risks, market risks relative to their applicable countries, and risks related to less regulation and reporting than is required for U.S. investors. Additionally, foreign banks and securities depositories that hold securities and cash for client portfolios may have limited or no regulatory oversight over their operations, and the laws of certain countries may limit Cloud Capital's ability to recover these assets if one of these institutions, or any of their agents, goes bankrupt.

Disciplinary Information

Cloud Capital has no disciplinary events to disclose.

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

Code of Ethics. Under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), Cloud Capital and its officers, directors and employees ("Supervised Persons") owe fiduciary duties to their clients. Consistent with these duties, Cloud Capital has adopted a Code of Ethics ("Code") which, among other things, requires that

its Supervised Persons reflect the professional standards expected of investment advisers and comply with federal and state securities laws and regulations pertaining to Cloud Capital. Under the Code, Supervised Persons should place the interests of clients first, ahead of their own personal interests, and generally seek to treat clients fairly. In addition, Supervised Persons are prohibited from engaging in any practice that defrauds or misleads any client or investor, or engaging in any manipulative or deceitful practice with respect to clients, investors or securities.

The Code also includes provisions addressing personal trading by Supervised Persons, as summarized below:

Personal Trading. Under the Code, Supervised Persons are generally required to submit information about their personal trading activities to Cloud Capital's chief compliance officer ("CCO") or the CCO's designee for review. In addition, Supervised Persons are generally required to notify the CCO and obtain advance approval of certain personal trades in securities that may be traded by Cloud Capital for client accounts. Violations of the Code may result in disciplinary action up to and including dismissal.

Participation or Interest in Client Transactions. Because client accounts are invested most often in stocks in U.S. equity indexes, there is little opportunity for a conflict of interest between personal trades by Cloud Capital Supervised Persons and trades in client accounts, even when such accounts invest in the same securities. However, in the event of other identified potential trading conflicts of interest, Cloud Capital's goal is to place client interests first.

Cloud Capital will provide the Code to any client or prospective client upon request.

Brokerage Practices

For each trade where it exercises investment discretion, Cloud Capital seeks "best execution", which is a combination of price and execution relative to our instructions, and other factors.

Brokerage Selection. In making brokerage determinations, Cloud Capital considers a number of judgmental factors, including, without limitation, clearance and settlement capabilities, quality of confirmations and account statements, the ability of the broker to settle the trade promptly and accurately, the financial standing, reputation and integrity of the broker-dealer, access to markets, research capabilities, market knowledge, any "value added" characteristics, Cloud Capital's past experience with the broker-dealer, Cloud Capital's past experience with similar trades, and other factors. Recognizing the value of these factors, Cloud Capital may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction.

Soft Dollar Transactions. Cloud Capital does not engage in soft dollar transactions.

Aggregation of Trades. Cloud Capital may aggregate trades for client accounts if the trade is consistent with the principles of best execution. Generally, accounts participating in an aggregated order will receive an average share price of all trades placed that trading day and pay their ratable share of brokerage costs.

Review of Accounts

Cloud Capital's portfolio managers review client accounts on an annual basis, and more frequently as necessary. Cloud Capital may perform other reviews upon certain events that often affect clients, including retirement, job changes, children entering college, etc. The level of review may range from confirming the client's investment objective, suitability, and satisfaction with services provided, to full scale planning of retirement, current savings amounts, tax planning or other financial considerations.

While Cloud Capital does not provide regular reports to its clients, each client will on a monthly basis receive a statement from its custodian showing each financial transaction in the portfolio, as described more fully below under "*Custody*".

Client Referrals and Other Compensation

Cloud Capital may engage solicitors who refer clients to Cloud Capital consistent with the requirements of Rule 206-4(3) under the Advisers Act. Cloud Capital currently has no solicitation arrangements in place. Cloud Capital may engage other solicitors in the future.

Custody

Custody of securities in client accounts is maintained at "qualified custodians," as such term is defined under Rule 206(4)-2 of the Advisers Act. Clients should request that custodians deliver account statements at least monthly, with paper or electronic copies provided to Cloud Capital, and clients should carefully review such statements. Clients should promptly notify Cloud Capital if they do not receive a monthly statement from their custodian.

Investment Discretion

Cloud Capital has discretionary authority over the client portfolios that it manages pursuant to the terms of each client's investment advisory agreement.

Voting Client Securities

Cloud Capital has determined that in general the cost of voting the high number of proxies held by clients and shareholders exceeds the benefits to said clients. When voting a specific proxy is deemed appropriate or necessary, Cloud Capital will vote proxies in a manner that serves the best interests of its clients, consistent with its Proxy Voting Policy. Cloud Capital will vote proxies in a manner intended to maximize the value of investments to shareholders (i.e. the value of the security will increase or the potential negative effects will be diminished), subject to reasonable standards. Clients generally cannot direct Cloud Capital's vote in a particular solicitation. Cloud Capital maintains a Proxy Voting Policy and a record of how Cloud Capital has voted proxies, each of which are available to clients upon request.

For clients for whom Cloud Capital does not have authority to vote proxies for client securities, proxies and other solicitations will be sent directly from the clients' respective custodians or transfer agents. Cloud Capital

is generally not available to discuss particular solicitations.

Financial Information

Cloud Capital does not require or solicit prepayment of fees six months or more in advance, and Cloud Capital currently does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.