



## **Crossgate Wealth Advisors, LLC**

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

**Effective: March 12, 2020**

This Form ADV 2A ("Disclosure Brochure") provides information about the qualifications and business practices of Crossgate Wealth Advisors, LLC ("Crossgate" or the "Advisor"). If you have any questions about the content of this Disclosure Brochure, please contact us at (215) 860-2234 or by email at [john@crossadvisors.com](mailto:john@crossadvisors.com).

Crossgate is a registered investment advisor with the U.S. Securities and Exchange Commissions ("SEC"). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Crossgate to assist you in determining whether to retain the Advisor.

Additional information about Crossgate and its Advisory Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our firm CRD# 121856.

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## **Item 2 – Material Changes**

Form ADV 2 is divided into two parts: Part 2A (the "Disclosure Brochure") and Part 2B (the "Brochure Supplement"). The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about Advisory Persons of Crossgate.

Crossgate believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. Crossgate encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

This Item will discuss only specific material changes that are made to the Disclosure Brochure and provide Clients with a summary of such changes.

### Material Changes

The Advisor has amended its fees charged for financial planning services. Please see Item 5 for additional details.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Crossgate.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 121856. You may also request a copy of this Disclosure Brochure at any time by contacting us at (215) 860-2234 or by email at [john@crossadvisors.com](mailto:john@crossadvisors.com).

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## **Item 4 – Advisory Services**

### **A. Firm Information**

Crossgate Wealth Advisors, LLC (“Crossgate” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). Crossgate is organized as a Limited Liability Company (“LLC”) under the laws of the Commonwealth of Pennsylvania, effective August 2016. Crossgate opened its doors on February 1, 2001 as a sole proprietorship for the purpose of providing affordable financial advice to individuals, couples and families. John D. Rea (President and Chief Compliance Officer), Barbara Rea (Vice President), and Nicholaus C. von Dohlen (Wealth Advisor). Mr. Rea is responsible for managing and setting firm policy as well as supervising all of the firm's activities. In September 2016, Crossgate began to operate under the new LLC.

This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Crossgate.

### **B. Advisory Services Offered**

Crossgate provides two types of services: financial planning and investment advisory services to individuals, high net worth individuals, trusts and estates (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Financial Planning Services

Crossgate will typically provide a variety of financial planning services to individuals and families, pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Financial planning services include advice on specific financial topics that are relevant to individuals, couples and families. These topics include:

1. budget and cash flow analysis,
2. investment planning,
3. education expense funding,
4. tax analysis and planning,
5. retirement planning,
6. insurance needs, and
7. estate planning.

We follow a seven-step process widely recognized by the financial planning community. The process is as follows:

1. understand the client's personal and financial circumstances,
2. identify and select goals,
3. analyze the client's current course of action and potential alternative course(s) of action,
4. develop recommendations and alternatives,
5. present the recommendations
6. implement the recommendations and
7. monitor the progress and update as required.

We meet with a Client at the beginning of the process. There is no charge or obligation for the first meeting, which usually lasts one to two hours. The purpose of the meeting is for us to learn about the Client's needs and goals and to inform the Client about our policies and procedures. We present an

estimate of the fees for the work that we propose to do. The Client does not have to make a commitment at the time of this meeting. If the Client decides to proceed with the engagement, we present the Client with a written financial planning agreement that the Client must sign and return. This agreement outlines the specific services we will perform and fees for those services. More details about the financial planning fees can be found in the next section Item 5 - Fees and Compensation. We also request that the Client complete a comprehensive questionnaire that asks for the Client's goals, income, expenses, assets, insurance summary and miscellaneous questions about these items.

After receiving the Client's information, we prepare an investment summary. This is a report, which categorizes a Client's investments by account and by the type of investment. The report also includes performance information. We use this report to analyze the quality of investments in the Client's portfolio, the diversity within the portfolio and the overall allocation by asset class. After analyzing the portfolio, we prepare recommendations if needed to change the portfolio and a report that shows the portfolio by investment as if the recommendations were implemented. There are other portfolios that would also be appropriate. Alternative portfolios are discussed with the Client at the follow up meeting.

We use a computer program to analyze a Client's personal financial situation. This program presents current cash flow and net worth statements. It also provides reports that help us analyze retirement spending projections, insurance needs and future estate taxes if applicable. Once the current information is entered into this program, alternative scenarios can be constructed to illustrate other potential outcomes. Some of these reports will be printed in advance of the follow up meeting. Additional scenarios can be presented during the follow up meeting if requested by the Client.

At the conclusion of the follow up meeting, we will discuss with the Client the required steps to implement the recommendations. We will also provide information on how we can assist in the implementation and the cost associated with our efforts. The recommendation may pose a conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment advisory services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

#### Investment Advisory Services

Crossgate provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary or non-discretionary investment management and related advisory services.

This type of engagement includes the following services:

1. recommendations and implementations for portfolio investments and an appropriate asset allocation,
2. assistance in implementing the recommendations,
3. preparation of an investment policy statement that is tailored to the Client's situation,
4. continual oversight of the investments in the portfolio and the asset allocation,
5. quarterly reports that provide a summary of the capital markets and a personal review of the Client's portfolio,
6. financial planning for relevant topics listed under Financial Planning Services,
7. access to FinHub™ client portal,
8. If practical, an annual meeting, so that we are aware of all relevant changes in the Client's life,
9. unlimited phone calls and additional meetings if needed and
10. year-end review of the Client's portfolio to consider tax issues.

To begin the relationship, we gather information using the same methods as mentioned above. This

service begins with an initial one-hour meeting with the Client at no charge. At the end of the meeting or within a few days, we will present the Client with an estimate of the fees for the service. A more detailed description of the fees is in Item 5 - Fees and Compensation below. We will prepare recommendations for investments in the portfolio and present them to the Client. Once the Client agrees with the recommendations, we prepare an action plan that lists the items that need to be done to implement the action plan. There may be items that the Client has to perform and other items that Crossgate has to perform. We will watch over the process to make sure everything is completed.

Crossgate will provide investment advisory services and related services. At no time will Crossgate accept or maintain custody of a Client's funds or securities, except for authorized deduction of the Advisor's fees. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client investment advisory agreement. For additional information, please see Item 12- Brokerage Practices".

### Investments

Clients are free to restrict investments from certain industries or activities. Clients can also request investments be directed towards specific industries or activities. Examples include requests to invest in socially or Biblically responsible companies or the green energy industry (solar or wind power). Clients may restrict investments from companies that engage in gun manufacturing, gambling or the sale of alcoholic beverages. We will do our best to accommodate the Client. We will also inform the Client of the potential impact to the cost of managing the portfolio or the diversification of the portfolio for the implementation of any investment restriction.

Crossgate recommends corporate bonds, United States government securities, municipal securities, individual stocks, mutual funds, exchange traded funds ("ETFs"), certificates of deposit, fixed annuities and variable annuities for portfolios. Our management of a portfolio is considered discretionary, which means that the Advisor does not require any prior approval from Client for all transactions to be executed.

We customize each portfolio to meet the needs of the Client. In the initial meeting and on an ongoing basis, we will determine a Client's tolerance for risk. Through asking various questions, we try to find out how sensitive a Client is to declines in values of their investments in a short period of time. We determine the chances of attaining the Client's financial goals using various levels of risk in their portfolio. The more sensitive a Client is to quick drops in value and the less risk a Client needs to take in order to attain their financial goals, the more conservative the portfolio needs to be. We will use these factors to make our recommendations. Clients may override these recommendations and choose a level of risk that they prefer.

Depending on the outcome of our evaluation of the Client's sensitivity to risk and the probability of attaining the financial goals with a beginning portfolio value, we will recommend one of the following portfolio asset allocations:

- |                           |  |
|---------------------------|--|
| 1. Ultra-Aggressive       | 10% fixed income, 90% equity,          |
| 2. Aggressive             | 20% fixed income, 80% equity,          |
| 3. Moderate-Aggressive    | 30% fixed income, 70% equity,          |
| 4. Moderate               | 40% fixed income, 60% equity,          |
| 5. Moderate-Conservative  | 50% fixed income, 50% equity,          |
| 6. Conservative           | 60% fixed income, 40% equity,          |
| 7. Defensive-Conservative | 70% fixed income, 30% equity,          |
| 8. Ultra-Conservative     | 80% fixed income, 20% equity or        |
| 9. Cash                   | 100% cash and short-term fixed income. |

These asset allocations are broken up further into asset class segments such as large company equity, mid size company equity, small size company equity and international equity. The percentages of each segment will vary slightly between portfolios due to Client preferences. The percentages of the

actual portfolio allocation and the recommended allocation can vary as much as 5% before being considered out of balance. If the actual portfolio allocation is out of balance, we will recommend changes that will bring the portfolio into balance. However, asset classes may vary by more than 5% from target allocation during temporary time periods. We review the portfolio allocation at the end of each calendar quarter.

### **C. Client Account Management**

After the initial meeting, but prior to engaging Crossgate to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Asset Allocation – Crossgate will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – Crossgate will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Crossgate will provide investment management and ongoing oversight of the Client's investment portfolio.

### **D. Wrap Fee Programs**

Crossgate does not manage or place Client assets into a wrap fee program. Investment advisory services are provided directly by Crossgate.

### **E. Assets Under Management**

As of December 31, 2019 Crossgate manages \$161,300,870 in Client assets, \$159,834,444 of which are managed on a discretionary basis and \$1,466,426 on a non-discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign one or more agreements that detail the responsibilities of Crossgate and the Client.

### **A. Fees for Advisory Services**

#### Financial Planning Services

Financial plans are based on an hourly rate of \$250 per hour. After the initial meeting with the Client, we will present a financial planning agreement which states the hourly fee and a maximum total cost of the service based upon the number of hours we expect to spend on the services listed in the agreement. The Client will not be billed more than the maximum amount stated in the agreement even if we spend more hours than we estimated. The maximum fee will include a meeting with the Client to present a written financial plan. If the Client requests additional services be performed after the presentation of the financial plan, the Client will be informed that there will be additional charges at \$250 per hour. These activities may include helping the Client implement some or all of the recommendations, creating additional scenarios for retirement projections or answering new questions posed by the Client.

The average financial plan takes about seven hours to complete but may take more time if the situation is more complicated. Therefore, financial plans can cost the Client from \$500 to \$3,000 depending on the complexity of the Client's financial situation. The hourly rate is not negotiable but the estimate of maximum hours the plan will take is negotiable at the sole discretion of the Advisor. That would change the maximum cost of the financial planning engagement for the Client as well as the scope of the engagement. The Advisor also offers ongoing financial planning at an annual rate ranging between \$500 and \$5,000, payable at the end of each month.

#### Investment Advisory Services



Investment advisory fees are paid quarterly, at the end of each calendar quarter, pursuant to the terms of the investment advisory agreement.

Investment advisory fees are based on the following schedule:

Assets Under Management (\$)	Annual Rate (%)
First \$1,000,000	1.00%
Next \$1,000,000	0.75%
Next \$1,000,000	0.50%
Next \$1,000,000	0.40%
Next \$1,000,000	0.30%
Over \$5,000,000	0.20%

Fees are negotiable at the sole discretion of the Advisor. The Investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by Crossgate will be independently valued by the Custodian. Crossgate will not have the authority or responsibility to value portfolio securities.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

## **B. Fee Billing**

### Financial Planning Services

Financial planning fees are invoiced 50% upon signing of the financial planning agreement and 50% after the financial plan has been presented. Ongoing financial planning service fees are payable at the end of each month.

### Investment Management Services

Investment advisory fees will be calculated by the Advisor and deducted from the Client's account[s] at the Custodian. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Crossgate at the end of each quarter. We prefer that we deduct our Clients' fees directly from an account held at the Custodian. However, each Client may elect to pay us directly after receiving an invoice. Invoices are sent out at the end of each calendar quarter. That is when the fees are deducted from the Client's account if that is the payment method approved by the Client. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by Crossgate directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

## **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Crossgate, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian and executing broker-dealer, if applicable. The Advisor's recommended Custodian does not charge securities transaction fees for ETF and equity trades in Client accounts, but may charge for mutual funds and other types of investments. The investment advisory fee charged by Crossgate is separate and distinct from these custody and execution fees.

In addition to the investment advisory fees paid to Crossgate, Clients will incur other fees. Mutual funds and ETFs have annual management fees that are deducted directly from the mutual funds assets. These fees can vary from 0.02% per year to over 2.00% per year depending on the fund. Mutual funds may also charge fees for balances that are below a minimum amount. Some funds charge a fee if it is sold within a certain period of time from the purchase date. Some custodians such as The Vanguard Group and



Fidelity charge a small transaction fee when Clients buy specific funds. There are also may be brokerage fees in connection with trades of certain types of securities such as stocks and ETFs. Additional information regarding brokerage fees can be found in Item 12 - Brokerage Practices.

Crossgate does not receive any remuneration based on the purchase or sales of investments. Our practice is to recommend funds that do not charge a sales load or fee. These are called "no-load" funds. Clients always have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with Crossgate.

#### **D. Advance Payment of Fees and Termination**

##### Financial Planning Services

Crossgate may be partially compensated for its financial planning services in advance of the engagement. Either party may terminate the financial planning agreement, at any time, by providing advance written notice to the other party. In addition, the Client may also terminate the agreement within five (5) business days of signing the Advisor's financial planning or consulting agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, we will bill the Client for the number of hours spent on the engagement. The Client will receive a refund for any amount paid in excess of the amount billed. An accounting of the hours spent will be sent to the Client. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

##### Investment Management Services

Crossgate is compensated for its services at the end of the quarter in which investment advisory services are rendered. Either party may terminate an investment advisory agreement, at any time, by providing written notice to the other party. In addition, the Client may also terminate the initial agreement within five (5) business days of signing the agreement and there will be no charge. After that, the Client can terminate the agreement at any time by writing to Crossgate. The Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

#### **E. Compensation for Sales of Securities**

Crossgate does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Crossgate does not charge any Clients a performance-based fee for its investment advisory services. The fees charged by Crossgate are as described in "Item 5 – Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client.

Crossgate does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

### **Item 7 – Types of Clients**

Crossgate provides advisory services to individuals and high net-worth individuals, trusts and estates. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. We generally do not have a minimum relationship size requirement for new Clients. However, we would not enter into an investment advisory agreement if the amount being managed would not be economical for the Client.

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

### A. Methods of Analysis

Crossgate primarily employs fundamental analysis in developing investment strategies for its Clients. Research and analysis from Crossgate is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

As part of the fundamental analysis, we incorporate some of the concepts of Modern Portfolio Theory (MPT) in the construction of our Client's portfolios. MPT was pioneered by Harry Markowitz in his paper "Portfolio Selection" published in 1952 by the Journal of Finance. The theory contains the view that investors are risk-averse and can construct portfolios to optimize or maximize expected investment return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward. In order to configure the optimal mix of asset classes for different levels of risk, the covariance between asset classes have to be measured. Covariance is the degree to which returns on two risky assets move in tandem. A positive covariance means that asset returns move together. A negative covariance means returns move inversely.

We categorize each type of investment into a specific asset class. The broad asset classes are:

1. Fixed Income (includes cash and all types of bonds) (FI)
2. Large Cap Equity Growth (LG)
3. Large Cap Equity Value (LV)
4. Mid Cap Equity Growth (MG)
5. Mid Cap Equity Value (MV)
6. Small Cap Equity Growth (SG)
7. Small Cap Equity Value (SV)
8. International Equity (IE)
9. Emerging Markets Equity (EM)
10. Other (includes real estate, commodities and currencies) (Other)

Depending on the time horizon for the use of the funds in a portfolio, the risk tolerance of the portfolio owner and beneficiary and the amount of risk needed to achieve a financial goal, the portfolio will be classified in one of the following portfolio allocations:

	FI	LG	LV	MG	MV	SG	SV	IE	EM	Other
1. Ultra Aggressive	10%	25%	25%	6%	6%	6%	6%	6%	10%	0%
2. Aggressive	20%	24%	24%	5%	5%	5%	5%	7%	5%	0%
3. Moderate Aggressive	30%	20%	20%	5%	5%	5%	5%	6%	0%	0%
4. Moderate	40%	18%	18%	4%	4%	5%	5%	6%	0%	0%
5. Moderate Conservative	50%	15%	15%	4%	4%	4%	4%	4%	0%	0%
6. Conservative	60%	12%	12%	3%	3%	3%	3%	4%	0%	0%

7. Defensive Conservative	70%	10%	10%	0%	0%	4%	4%	2%	0%	0%
8. Ultra Conservative	80%	6%	6%	0%	0%	3%	3%	2%	0%	0%
9. Cash	100%									

Each allocation may deviate from the percentage listed above by plus or minus five percent before the portfolio is considered unbalanced. If any of the percentages are more than five percent above or below the percentages listed in the table above, we will make recommendations to rebalance the portfolio. Rebalancing means that investments are sold in asset classes that are above the target percentage and then investments are purchased in asset classes that are under the target percentage.

#### Investment Decision Criteria

Most often we recommend open-ended mutual funds and in a few cases ETFs to create or change a portfolio of investments. A mutual fund is a pool of funds collected from many investors for the purpose of investing in securities. By pooling together funds from many investors, an investor benefits by having access to professional investment managers and immediate diversification. Open-ended mutual funds have shares that are sold directly to investors. The number of shares expand and contract depending on the demand for the fund. The fund will buy the shares back from the investor providing liquidity. A majority of mutual funds are open-ended. An ETF is a security that tracks an index, commodity or a basket of assets like an index fund but trades like a stock on an exchange. ETFs can be traded throughout the day where as open-ended mutual funds are exchanged only at the end of each trading day. We review and monitor appropriate parameters for the mutual funds and ETFs we recommend.

The parameters we use are:

1. Consistency of performance. Mutual funds are identified that have experienced consistent above average performance with respect to their category peers. Crossgate identifies for further analysis those funds that have been ranked in the top 50 percentile of their category for the last three-year and five-year periods.
2. Persistency of Style. One of the basic tenants of modern portfolio theory is to develop a portfolio using securities that are consistent in their investment style throughout the holding period. This portion of the analysis finds those mutual funds by reviewing their investment style history. The analysis also reviews consistency in rolling period returns and in bond quality ratings for fixed income instruments.
3. Risk-Adjusted Performance Data. During this portion of the analysis, we look at past reviews and commentaries by analysts in various publications, portfolio composition versus peers, sector weightings, regional exposures, risk and return profiles and risk adjusted rates of returns. Standard Deviation, Sharpe Ratios, R-squared and Alphas are reviewed.
4. Operations. The analysis reviews the manager, and the tenure of the manager, fees and expenses, shareholder report grade and any other factors that may be appropriate for the category under analysis. Mutual fund managers must have been in place for five years or longer. The mutual funds must be available for with no purchase fee (no-load) and at net asset value (NAV) to the Client. Net asset value is the total value of all of the securities in the fund divided by the total number of shares outstanding.
5. Portfolio Risk. This analysis reviews portfolio risk by reviewing portfolio statistics, turn over ratio, actual fund holdings, total number of holdings and the percentage of assets in the top ten holdings.

We rank the mutual funds in each category in accordance with the above formulae. The goal is to select at least two to three funds for inclusion in our approved list of funds for each category. Sometimes only one or none of the mutual funds make the grade. In those instances, appropriate index funds may be used. In other cases, where fund options are limited (such as 401(k) and 403(b) plans),

Crossgate will recommend the funds that come closest. Our main source of information on mutual funds is from Morningstar. We also use information received from the companies that run the mutual funds.

## **B. Risk of Loss**

There is inherent risk in all types of investments although each investment has different types of risk and different degrees of risk. We define risk as the chance that an investment will lose value.

One risk in using our investment strategy is having an allocation in an asset class that goes down in value in a particular time period. We do not use market timing to make portfolio changes. That means that even if the equity markets have reached an all time high and the news media reports that the stock market looks like it will go down, we do not make changes in a portfolio allocation for that reason alone. For example, the Ultra Aggressive allocation would lose more than the Ultra Conservative allocation if stocks in the United States and around the world go down.

Several risks are associated with fixed income securities. One risk is interest rate risk. Bond prices fall as interest rates rise. The longer the term of the bond and the lower the interest rate, the more the bond value will fall. Another risk is market risk. The demand and supply of particular kinds of bonds will affect the value. Default risk is the risk that the bond issuer will not be able to pay the interest or principal on the bond in a timely manner. Inflation risk is the risk that the rate of price increases in the economy deteriorates the returns associated with the bond. Inflation erodes the purchasing power of the interest and principal over time.

Stocks have greater overall risks because there is a higher probability of losing more value with stocks than bonds. When someone owns stock, they participate in the profits or losses of that company. There is no promise to pay the common stock shareholders a certain amount for the shares in the future. Stock values will change depending on the individual results of the company. Therefore, each stock has specific company risk. That means the value will not only change as a result of a change in earnings but also because of the perception of how management is performing and other internal issues such as fraud or criminal activity. Stock values are also influenced by industry risk. That is the risk that problems may arise as a result of an industry wide problem such as lower prices for the sales of products made or the increase in raw materials used for making the product.

Commodities have price risk. Metals such as gold or silver do not produce income. Therefore, any financial return is based on the price of the commodity at any point in time. That means the price will depend on the demand and supply for that commodity. That could cause the price to fluctuate greatly and could go down in value.

Crossgate recommends mutual funds for most of the investments used in a portfolio. When using a mutual fund, there is a risk that the manager may make poor decisions and purchase stocks or bonds that do not perform well. There is also a risk that the portfolio manager may be changed by the fund owner.

ETFs are fairly new. The investment community is unsure how these types of investments will behave when the market has large fluctuations during the day since these securities can be purchased and sold anytime the market is open. Large fluctuations can cause the pricing of ETFs to be inaccurate which could make an investor lose value if sold during one of those periods.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

**There are no legal, regulatory or disciplinary events involving Crossgate or any of its Supervised Persons.** Crossgate and its Supervised Persons value the trust you place in us. As we advise all Clients,

we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 121856.

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

John D. Rea, in his separate capacity, is a Certified Public Accountant and performs accounting, business consulting and tax services. These other services account for approximately 2% of his entire annual revenue, which may pose a conflict of interest. On average this requires about four hours per month.

### Succession Plan

As a fiduciary, Crossgate Wealth Advisors, LLC has certain legal obligations, including the obligation to act in clients' best interest. Crossgate Wealth Advisors, LLC maintains a Business Continuity and Succession Plan and seeks to avoid a disruption of service to Clients in the event of emergency or an unforeseen loss of key personnel, due to disability or death. To that end, Crossgate Wealth Advisors, LLC has devised a plan for internal succession. As an alternative, Crossgate Wealth Advisors, LLC has entered into a succession agreement with a reputable regional Registered Investment Advisory firm. Crossgate Wealth Advisors, LLC can provide additional information to any current or prospective client upon request to John D. Rea, Managing Member and President at (215) 860-2234 or [john@crossadvisors.com](mailto:john@crossadvisors.com).

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Crossgate has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Crossgate (our "Supervised Persons"). Our code of ethics policy is available to any Client or prospective Client upon request. Our policy is compliant with SEC rule 240A-1 which became effective on August 31, 2004.

The Code of Ethics sets out a standard of conduct which include the following core principles:

1. The interests of Clients will be placed ahead of the firm's or any Supervised Person's own investment interests.
2. Supervised Persons are expected to conduct their personal securities transactions in accordance with the Personal Trading Policy and will strive to avoid any actual or perceived conflict of interest with the Client. Supervised Persons with questions regarding the appearance of a conflict with a Client should consult with the Chief Compliant Officer (John D. Rea) before taking action that may result in an actual conflict.
3. Supervised Persons will not take inappropriate advantage of their position with the firm.
4. Supervised Persons are expected to act in the best interest of each of our Clients.
5. Supervised Persons are expected to comply with federal securities laws.

The policy protects Client's material nonpublic information. Supervised Persons are expected to not divulge information regarding recommendations made by Crossgate or Client securities holdings to any individual outside of the firm, except:

1. As necessary to complete transactions or account changes (for example, communications with the Custodian);
2. As necessary to maintain or service a Client or his/her account (for example, communications with a Client's accountant);
3. With various service providers providing administrative functions for Crossgate (such as our technology service provider), only after we have entered into a contractual agreement that prohibits the service provider from disclosing or using confidential information except as necessary to carry out its assigned responsibilities and only for that purpose; or

#### 4. As permitted by law.

As noted above, Supervised Persons are expected to conduct themselves with the utmost integrity and to avoid any actual or perceived conflict with our Clients. In this spirit, the following are required of Supervised Persons:

1. Gift Policy -Supervised Persons are prohibited from receiving (or giving) any gift, gratuity, hospitality or other offering of more than de minimis value from any person or entity doing business with Crossgate Wealth Advisors. This gift policy generally excludes items or events where the Supervised Person has reason to believe there is a legitimate business purpose.
2. Service as Director for an Outside Company - Any Supervised Person wishing to serve as director for an outside company (public or private) must first seek the approval of John D. Rea. In reviewing the request, he will determine whether such service is consistent with the interests of the firm and our Clients.
3. Outside Business Interests - Any Supervised Person wishing to engage in business activities outside of Crossgate must first seek approval from John D. Rea and, if requested, provide periodic reports to him summarizing those outside business activities.
4. New and Annual Supervised Person Acknowledgment - New Supervised Persons must acknowledge they have read and they understand and agree to comply with this Code of Ethics and Personal Trading Policy. All Supervised Persons are required to acknowledge as such annually in connection with the firm's annual policy manual acknowledgment process.

#### Personal Trading Policy

Supervised Persons must consider the following before placing a trade:

1. Whether the amount or nature of the transaction will affect the price or market for the security;
2. Whether the Supervised Person will benefit from purchases or sales being made for any Client;
3. Whether the transaction is likely to harm any Client; and
4. Whether there is an appearance or suggestion of impropriety.

#### Personal Trading Restrictions

Supervised Persons are expected to purchase or sell a security for their personal accounts only after trading of that same security has been completed in Client accounts. Personal accounts of the Supervised Person include all accounts for family members living within the Supervised Person's household and accounts over which the Supervised Person has authority even though the account owner does not live within the same household as the Supervised Person.

1. Any Supervised Person contemplating a trade to the contrary must consult with John D. Rea before conducting his or her personal trade.
2. It is the Supervised Person's responsibility to know which securities are being traded by the firm. The Supervised Person should consult with John D. Rea to determine whether a security is an appropriate purchase by the Supervised Person.

#### Initial Public Offerings and Private Placements

All Supervised Persons are required to obtain approval from John D. Rea before investing in an initial public offering ("IPO") or a private placement, defined as an equity position within a nonpublic company.

#### Reports of Personal Securities

Supervised Persons are required to report securities transactions and holdings for all accounts in which the Supervised Person has a direct or indirect beneficial ownership interest. This includes personal securities information of any family member living within the same household as the Supervised Person. Supervised Persons must submit a quarterly transactions report, and holdings report.

All Supervised Persons are required to report promptly any violation of this policy to John D. Rea (including the discovery of any violation committed by another Supervised Person). Examples of items



that should be reported include but are not limited to: noncompliance with federal securities laws, conduct that is harmful to Clients and purchasing securities contrary to the Personal Trading Policy. Such violations should be reported to John D. Rea on a timely basis.

Supervised Persons are encouraged to report any violations or apparent violations. Such reports by Supervised Persons will not be viewed negatively by firm management, even if the reportable event, upon further review, is determined to not be a violation and John D. Rea determined the Supervised Person reported such apparent violation in good faith.

Upon discovering a violation of this policy, John D. Rea may impose any sanctions as deemed appropriate, including disgorgement of profits, reversal of the trade or suspension of trading privileges. For additional information on general sanctions for violation of the firm's policies, refer to our Sanctions Policy.

John D. Rea and Supervised Persons of Crossgate may buy and sell open-ended mutual funds that we recommend to our Clients without prior notice to any Client. While Crossgate allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will Crossgate, or any Supervised Person, transact in any security to the detriment of any Client.**

## Item 12 – Brokerage Practices

Crossgate does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize Crossgate to direct trades to the Custodian as agreed in the investment advisory agreement. Further, Crossgate does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis. The following are the factors in choosing the Custodian to recommend:

When recommending the Custodian to our Clients, we consider cost, accessibility to securities and service. Using that criteria, most of the time we recommend Fidelity Clearing & Custody Solutions and related entities/divisions of Fidelity Investments, Inc. (collectively "Fidelity") and The Vanguard Group ("Vanguard"). Both of these companies offer mutual fund and brokerage accounts at no charge. Both companies offer mutual funds managed by their own company as well as mutual funds managed by other companies. They include funds that require no transaction fees to buy or sell the fund and funds that do require a transaction fee. Both offer the ability to purchase individual bonds, stocks, ETFs and closed-end funds.

### Research and Other Soft Dollar Benefits

Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker-dealer in exchange for research and other services. Fidelity provides a special service to Registered Investment Advisors. We are enrolled with this service. Fidelity provides a software platform to allow advisors to view and trade on Client accounts on a daily basis. A small team of Client service representatives is available for help when dealing with Clients' accounts. Research information and conference calls with fund managers are also available. We use the research information for all of our Clients whether they have accounts at Fidelity or not. Some fees that would normally be charged to Clients who own a retail account are not charged for purchases made in accounts associated through our relationship with Fidelity. The Advisor also receives benefits through Fidelity's institutional platform. Please see Item 14 – Client Referrals and Other Compensation below.

Other than these services, Fidelity does not provide any other type of benefit or remuneration to us for recommending Clients to them. There is a conflict of interest in that it is easier for us to use Fidelity since they provide these services. It is possible that there are brokerage services that will charge less for each transaction than Fidelity. Vanguard does not offer special services for registered investment advisors.



All Clients are serviced on a “directed brokerage basis”, where Crossgate will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s] at the Custodian. If a Client chooses to use another brokerage firm, they may receive less favorable prices. Therefore, we may not be able to execute the “best effort” status, which may cost the Client more money. We do not buy and sell individual securities, except for rare occasions. In those cases, we are buying or selling a few shares of one stock for one Client and not making a positional change across the board. Crossgate will execute its transactions through the Custodian selected by the Client. Mutual fund purchases cannot be aggregated.

### **Item 13 – Review of Accounts**

All of our Clients' portfolios are reviewed on a quarterly basis. As part of the review, we compile a summary of each portfolio by investment. We then look at the year-to-date, one and three year returns as well as the one and three-year Morningstar category ranks for each investment. Morningstar is a company that compiles information on stocks, mutual funds and ETFs. The portfolio is also summarized by asset class and compared to the targets agreed upon with the Client. After making this review, we write a letter to each Client summarizing the findings of the review and the recommendations. If the actual asset allocation has a category or categories more or less than five percent compared to the targets, we may make a recommendation to rebalance the portfolio. Poor performance of an investment or a change in a Client's situation may also prompt us to make recommendations for change.

We will review a Client's portfolio in advance of an annual or specially called meeting. Besides a quarterly review, we strive to meet with a Client at least once a year in person or by phone to review the portfolio and to discuss any possible changes in a Client's goals or tolerance for risk.

Reviews are performed by John D. Rea and Nickolaus C. von Dohlen

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

#### **A. Compensation Received by Crossgate**

Crossgate and its Supervised Persons do not receive any compensation for referring Clients nor does Crossgate compensate anyone for referring Clients to us.

#### Participation in Institutional Advisor Platform

Crossgate has established an institutional relationship with Fidelity to assist the Advisor in managing Client account[s]. Access to the Fidelity Institutional platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from the Custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this Custodian over one that does not furnish similar software, systems support, or services.

#### **B. Client Referrals from Solicitors**

Crossgate does not engage paid solicitors for Client referrals.

## **Item 15 – Custody**

Crossgate does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct Crossgate to utilize the Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by Crossgate to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 Brokerage Practices.

## **Item 16 – Investment Discretion**

Crossgate generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Crossgate. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Crossgate will be in accordance with each Client's investment objectives and goals. Clients may also engage with Crossgate on a non-discretionary basis. In such non-discretionary arrangements, the Client must approve each trading decision.

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

Crossgate does not have authority to vote Client proxies or other solicitations. Clients will receive these documents directly from their Custodians. If Clients have questions regarding how they should vote, they are free to contact us. At that time, we will discuss the votes that we would cast and the reasons for that vote. We will also discuss the potential conflict of interest between our recommendation and their best interest if that is ascertainable.

## **Item 18 – Financial Information**

Neither Crossgate, nor its management, have any adverse financial situations that would reasonably impair the ability of Crossgate to meet all obligations to its Clients. Neither Crossgate, nor any of its Advisory Persons, has been subject to a bankruptcy or financial compromise. Crossgate is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

# **Crossgate Wealth Advisors, LLC**

## **Form ADV Part 2B – Brochure Supplement**

**for**

**John D. Rea, CFP<sup>®</sup>, CPA, CKA<sup>®</sup>  
President and Chief Compliance Officer**

**Effective: March 12, 2020**

This Form ADV 2B (“Brochure Supplement”) provides information about John D. Rea, CFP<sup>®</sup>, CPA, CKA<sup>®</sup> (CRD# 1394178) that supplements the Crossgate Wealth Advisors, LLC (“Crossgate” or the “Advisor”) (CRD# 121856) Disclosure Brochure. You should have received a copy of that Disclosure Brochure. If you did not receive the Crossgate Wealth Advisors Disclosure Brochure or if you have any questions about the contents of this supplement, please contact us at (215) 860-2234 or by email at [john@crossadvisors.com](mailto:john@crossadvisors.com).

Additional information about John D. Rea, CFP<sup>®</sup>, CPA, CKA<sup>®</sup> is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his individual CRD# 1394178.

## Item 2 – Educational Background and Business Experience

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John D. Rea, CFP<sup>®</sup>, CPA, CKA<sup>®</sup> is the President and Chief Compliance Officer of Crossgate. Additional information regarding Mr. Rea and his employment history is included below.

Date of birth: May 9, 1956

BS Accounting, The Pennsylvania State University 1978 with distinction

MBA, Lehigh University, 1985

Accredited Certified Financial Planner (CFP<sup>®</sup>), 1988

Certified Public Accountant (CPA) licensed in PA, 1992

Recent Business Background:

President and Chief Compliance Officer of Crossgate Wealth Advisors, February 2001 to Present

### CERTIFIED FINANCIAL PLANNER<sup>™</sup> (“CFP<sup>®</sup>”)

The CERTIFIED FINANCIAL PLANNER<sup>™</sup>, CFP<sup>®</sup> and federally registered CFP<sup>®</sup> (with flame design) marks (collectively, the “CFP<sup>®</sup> marks”) are professional certification marks granted in the United States by the Certified Financial Planner Board of Standards, Inc. (“CFP<sup>®</sup> Board”).

The CFP<sup>®</sup> certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold the CFP<sup>®</sup> certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP<sup>®</sup> certification in the United States.

To attain the right to use the CFP<sup>®</sup> marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP<sup>®</sup> Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP<sup>®</sup> Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP<sup>®</sup> Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience under the supervision of a CFP<sup>®</sup> professional (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP<sup>®</sup> Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP<sup>®</sup> professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP<sup>®</sup> marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP<sup>®</sup> professionals provide financial planning services at a

fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

#### Certified Public Accountant (CPA)

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include: minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination.

In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain Client consent if a conflict exists), maintain Client confidentiality, disclose to the Client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

#### **Certified Kingdom Advisor® (CKA®)**

Certified Kingdom Advisor® is a professional designation granted by Kingdom Advisors, Inc., a not-for-profit organization established in 2003, to individuals who have satisfied the following requirements:

##### **Prerequisites:**

Candidates must sign a Statement of Faith, obtain a letter of reference from a pastor or member of pastoral staff, pass a regulatory review, complete a signed statement of personal stewardship and submit two client references.

##### **Experience Requirements:**

Candidates must either hold one of the following industry approved designations: CFP®, ChFC®, CPA, CPA/PFS, EA, CFA, CIMA®, AAMS, CLU®, JD or hold 10 years of experience in the professional discipline in which they applied for the CKA® designation. Disciplines include insurance, investments, accounting, law, and financial planning.

**Educational Requirements:** Complete the 60-hour CKA® Educational Program, a 3-credit hour equivalent certificate program offered by Indiana Wesleyan University.

**Continuing Education:** 10 hours of continuing education each year.

**Ethics & Public Disciplinary Process:** Kingdom Advisors (KA) requires all Certified Kingdom Advisor® designees to remain in substantial compliance with a set of ethical principles, rules, and standards in order to use or to continue to use the Certified Kingdom Advisor® designation. In order to oversee such compliance, KA has established procedures for reporting ethical violation, as well as a set of public disciplinary procedures to oversee the investigation of potential violations of such principles.

### Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Rea.*** Mr. Rea has never been involved in any regulatory, civil or criminal action. There have been no Client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Rea

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Rea.***

However, we do encourage you to independently view the background of Mr. Rea on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 1394178.

### Item 4 – Other Business Activities

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John D. Rea, in his separate capacity, is a Certified Public Accountant and performs accounting, business consulting and tax services. These other services account for approximately 2% of his entire annual revenue, which may pose a conflict of interest. On average this requires about four hours per month.

### Item 5 – Additional Compensation

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There are no other forms of compensation that would present a conflict of interest other than what is disclosed in Item 4 above.

### Item 6 – Supervision

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As the President and Chief Compliance Officer of Crossgate Wealth Advisors, John D. Rea has to provide self-supervision. Any complaints, problems or praises should be brought immediately to his attention. If the matter is not satisfactorily rectified, a complaint can be lodged with the SEC.

Additional information about John D. Rea is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# **Crossgate Wealth Advisors, LLC**

## **Form ADV Part 2B – Brochure Supplement**

**for**

**Nickolaus C. von Dohlen, CFP®  
Wealth Advisor**

**Effective: March 12, 2020**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Nickolaus C. von Dohlen, CFP® (CRD# 7006364) in addition to the information contained in the Crossgate Wealth Advisors, LLC (“Crossgate” or the “Advisor”, CRD# 121856) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Crossgate Disclosure Brochure or this Brochure Supplement, please contact us at (215) 860-2234 or by email at [barbara@crossadvisors.com](mailto:barbara@crossadvisors.com).

Additional information about Mr. von Dohlen, CFP® is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 7006364.



## Item 2 – Educational Background and Business Experience

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Nickolaus C. von Dohlen, CFP® is a Wealth Advisor of Crossgate. Additional information regarding Mr. von Dohlen and his employment history is included below.

Date of birth: April 13, 1984

BS Finance, Rider University 2009

Accredited Certified Financial Planner (CFP®), 2019

Recent Business Background:

Wealth Advisor of Crossgate Wealth Advisors, October 2016 to Present

Payroll Administrator of TMS International Corporation, July 2014 to October 2016

Payroll Administrator of All Star Staffing Group, February 2012 to July 2014

### CERTIFIED FINANCIAL PLANNER™ (“CFP®”)

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP® (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by the Certified Financial Planner Board of Standards, Inc. (“CFP® Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold the CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience under the supervision of a CFP® professional (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP® Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a

fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. von Dohlen.*** Mr. von Dohlen has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. von Dohlen.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. von Dohlen.***

However, we do encourage you to independently view the background of Mr. von Dohlen on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 7006364.

### Item 4 – Other Business Activities

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Mr. von Dohlen is dedicated to the investment advisory activities of Crossgate's Clients. Mr. von Dohlen does not have any other business activities.

### Item 5 – Additional Compensation

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Mr. von Dohlen is dedicated to the investment advisory activities of Crossgate's Clients. Mr. von Dohlen does not receive any additional forms of compensation.

### Item 6 – Supervision

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Mr. von Dohlen serves as a Wealth Advisor of Crossgate and is supervised by John Rea, the Chief Compliance Officer. John Rea can be reached at (215) 860-2234.

Crossgate has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of Crossgate. Further, Crossgate is subject to regulatory oversight by various agencies. These agencies require registration by Crossgate and its Supervised Persons. As a registered entity, Crossgate is subject to examinations by regulators, which may be announced or unannounced. Crossgate is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## Privacy Policy

Effective Date: March 12, 2020

### Our Commitment to You

Crossgate Wealth Advisors, LLC ("Crossgate" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Crossgate (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Crossgate does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Health and financial goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> Crossgate does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Crossgate or the Client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].	Yes	Yes
<b>Information About Former Clients</b> Crossgate does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (215) 860-2234 or by email at [john@crossadvisors.com](mailto:john@crossadvisors.com).