



# CATALYST

## FINANCIAL PARTNERS

**Thomas N. O'Connor**  
**Chief Compliance Officer**  
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### **Form ADV Part 2A Disclosure Brochure**

**Effective: August 24, 2021**

This Form ADV Part 2A ("Disclosure Brochure") provides information about the qualifications and business practices of Catalyst Financial Partners LLC ("CFP" or the "Advisor"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (617) 239-8101.

CFP is a registered investment advisor with the United States Securities and Exchange Commission ("SEC") (File No. 801-114398). 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 CFP to assist you in determining whether to retain us as your investment advisor.

Additional information about CFP and its personnel are available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 299335.

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## Item 2 – Material Changes

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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 CFP's business practices and conflicts of interest. The Brochure Supplement provides information about the personnel of CFP.

CFP believes that communication and transparency are the foundation of its relationship with its Clients and advisors and will continually strive to provide Clients and advisors with complete and accurate information. CFP encourages all current and prospective Clients and advisors to read this Disclosure Brochure and to discuss any questions you may have with us. Your feedback is always welcome and encouraged.

### Material Changes

There have been changes to the Form ADV Part 2A since March 2021. Specifically, CFP has made disclosure changes and enhancements throughout this Form ADV Part 2A.

### Future Changes

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

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# 299335. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (617) 239-8101.

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## Item 4 – Advisory Services

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### A. Firm Information

Catalyst Financial Partners LLC (“CFP” or the “Advisor”) is organized as a limited liability company under the laws of the Commonwealth of Massachusetts since 2018. CFP has been a registered investment advisor with the United States Securities and Exchange Commission (“SEC”) since December 6, 2018 (SEC File No. 801-114398). CFP is owned by David C. Porter, Thomas N. O’Connor, Alan R. Roycroft, Mark D. LoBello, Daniel E. Ronan, Timothy B. George, Eugene Covino and Keith Gibbons. This Disclosure Brochure provides information regarding the qualifications, business practices and services provided by CFP.

### B. Advisory Services Offered

CFP offers investment supervisory/wealth management services to high-net-worth individuals, family offices, closely held and family businesses, pension and profit-sharing plans, charitable institutions, foundations, endowments, trusts, and other entities (each referred to herein as a “Client”).

CFP will only provide its services on a wrap fee basis as a wrap program sponsor (hereinafter the “Program”). Under CFP’s Program, the Client generally receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the Client more or less than purchasing such services separately. The terms and conditions of the Program engagement are more fully discussed CFP’s Wrap Fee Program Brochure.

CFP’s “Wrap Program Fee” includes brokerage commissions, transaction fees, expenses related to financial planning and other related costs and expenses. Clients may incur certain charges imposed by custodians, brokers, third-party investment managers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund’s prospectus. Such charges, fees and commissions are exclusive of and in addition to Wrap Program Fee, and we do not receive any portion of these fees and costs.

**Please Note:** As indicated in the Wrap Fee Program Brochure, participation in the Program may cost more or less than purchasing such services separately. As also indicated in the Wrap Fee Program Brochure, the Program fee charged by CFP for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

*Wrap Fee Program-Conflict of Interest.* Because wrap program transaction fees and/or commissions are being paid by CFP to the account custodian/broker-dealer, CFP could have an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client’s account. See separate **Wrap Fee Program Brochure**.

**CFP’s Chief Compliance Officer, Thomas N. O’Connor, remains available to address any questions that a Client or prospective client may have regarding a wrap fee arrangement and the corresponding conflict of interest.**

### Investment Management Services

CFP provides its Clients its discretionary or non-discretionary investment advisory services on a wrap fee basis. However, Clients that determine to engage CFP on a non-discretionary basis **must be willing to accept** that CFP cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the Client. Thus, in the event of a market correction during which the Client is unavailable, CFP will be unable to effect any account transactions (as it would for its discretionary Clients) without first obtaining the Client’s verbal consent.

The strategies offered through CFP are listed below. Additionally, we may manage client portfolios in accordance with specialized or hybrid strategies not listed. In managing accounts, we consult at the outset with the Client to establish investment objectives and goals, and to determine an appropriate investment strategy suited to the Client's investment goals and objectives.

#### **CFP Strategies:**

CFP offers a number of diversified portfolio strategies, ranging in risk tolerance from conservative to aggressive. The portfolios consist of equities, fixed income instruments and alternative investments, and may include individual securities, separately managed accounts, mutual funds, index funds, bonds, bond funds and alternative investments. The strategies offered by CFP include the following (the numbers in parentheses next to the strategy represent the approximate percentage of equities/fixed income/alternative investments. However, the actual percentages may vary due to drift and market activity):

##### **Income (0-100-0)**

The primary goal of the portfolio is current income. Capital preservation has a significant, but less important role. Fixed income securities seek to provide current income, help limit the overall portfolio volatility and preserve capital. Portfolio risk is minimal.

##### **Stability (30-70-0)**

The primary goal of the portfolio is stability. Fixed income securities seek to provide current income and a limitation on the overall portfolio volatility. Equities play a lessor role. Equity exposure seeks to provide principal appreciation. Portfolio risk is low.

##### **Conservative (40-57-3)**

The primary goal of the portfolio is current income. Principal appreciation has a significant, but less important role. Fixed Income securities seek to provide current income and a limitation on the overall portfolio volatility. Equity exposure seeks to provide capital appreciation. A modest exposure to alternatives is used to broaden diversification and also to reduce volatility. Portfolio risk is low to moderate.

##### **Balanced (50-47-3)**

The primary goals of the portfolio are equally divided between growth of principal and generation of income. Equity exposure seeks to provide principal appreciation. Fixed Income securities seek to provide current income and a limitation on the overall portfolio volatility. A modest exposure to alternatives is used to broaden diversification and also to reduce volatility. Portfolio risk is moderate.

##### **Moderate Growth (60-35-5)**

The primary goal of the portfolio is growth of principal. Current income has a significant, but less important role. Equity exposure seeks to provide principal appreciation. Fixed Income securities seek to provide current income and a limitation on the overall portfolio volatility. A modest exposure to alternatives is used to broaden diversification and also to reduce volatility. Portfolio risk is moderate.

##### **Growth (70-25-5)**

The primary goal of the portfolio is growth. Current income plays a lessor role. Equity exposure seeks to provide principal appreciation. Fixed Income is used primarily to reduce overall portfolio volatility and current income. A modest exposure to alternatives is used to further broaden diversification and also to modestly reduce volatility. Portfolio risk is moderately aggressive.

##### **Aggressive Growth (80-13-7)**

The primary goal of the portfolio is aggressive growth. Current income is not important. Equity exposure seeks to provide principal appreciation and the bulk of the total return. Fixed Income is used primarily to reduce overall portfolio volatility. An exposure to alternatives is used to broaden diversification and also to reduce volatility. Portfolio risk is aggressive.

### **Maximum Growth (90-0-10)**

The goal of the portfolio is very aggressive growth. Equity exposure seeks to provide principal appreciation and the bulk of the total return. Fixed Income, if used, will be a minor allocation and its primary role is to reduce overall portfolio volatility. An exposure to alternatives is used to broaden diversification and also to reduce volatility. Portfolio risk is very aggressive.

CFP also provides customized investment advisory solutions for its Clients. This is achieved in consultation with the Client while providing discretionary investment management and related advisory services. CFP works closely with each Client to identify appropriate investment goals and objectives and risk tolerance to create a suitable portfolio strategy. CFP will then construct an investment portfolio, consisting primarily of exchange traded funds ("ETFs"), exchange traded notes ("ETNs"), index funds, separately managed accounts and/or some mutual funds to achieve the Client's investment goals and objectives. CFP may also utilize individual stocks, bonds, municipal bonds or options contracts to meet the needs of its Clients. Certain types of investments may be retained based on a Client's legacy portfolio construction. Third party managers may be used when appropriate.

CFP's investment strategies are primarily long-term focused. However, CFP may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions or to tax loss harvest as appropriate. CFP will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by CFP.

CFP evaluates and selects investments for inclusion in Client portfolios after applying its due diligence process. CFP may recommend one or more of the following;

1. redistributing investment allocations to diversify the portfolio;
2. increases or decreases to sector or asset class weightings;
3. selling positions for reasons that include but are not limited to: harvesting capital gains or losses; business, sector or asset class risk exposure; overvaluation, overweighting or underweighting of the position[s] in the portfolio; change in risk tolerance of the Client; generating cash to meet Client needs; or any risk deemed unacceptable for the Client's risk tolerance; or
4. employing cash or short-term fixed income positions as a possible hedge against market movements.

At no time will CFP accept or maintain custody of a Client's funds or securities. All Client assets will be managed within the designated account[s] at the Custodian, pursuant to the terms of the agreement. Please see Item 12 – Brokerage Practices and Item 15 - Custody.

### **Use of Independent or Sub-Advisory Managers**

CFP may recommend that a Client utilize one or more unaffiliated investment managers, sub-advisors or investment platforms (collectively "Independent Managers") for all or a portion of a Client's investment portfolio. In such instances, the Client may be required to authorize and enter into an advisory agreement with the Independent Manager[s] that defines the terms pursuant to which the Independent Manager[s] will provide investment management and related services. CFP may also assist in the development of the initial policy recommendations and managing the ongoing Client relationship. CFP will perform initial and ongoing oversight and due diligence over the selected Independent Manager[s] to ensure the Independent Managers' strategies and target allocations remain aligned with the Clients' investment objectives and overall best interests. The Client, prior to entering into an agreement with an Independent Manager, will be provided with the Independent Manager's Form ADV Part 2A (or a brochure that makes the appropriate disclosures).

CFP may also recommend that certain clients consider engaging Baystate Wealth Management ("Baystate Wealth") as an investment advisor, either directly or as a sub-advisor to CFP. Baystate Wealth is affiliated with CFP through cross-ownership. CFP is paid a fee for this referral. No client is obligated to engage Baystate Wealth.

Baystate Wealth offers asset allocated diversified Model Portfolios ranging on the risk profile scale from

conservative to very aggressive. The Model Portfolios are broadly diversified between asset classes and may be diversified between U.S. and international markets. Baystate Wealth offers equity models with different tilts or biases. Please see Baystate Wealth's Form ADV Part 2A for more information on the types of model portfolios offered by Baystate Wealth.

## MISCELLANEOUS

**Limitations of Non-Investment Consulting/Implementation Services.** CFP does not hold itself out as providing legal, account or insurance services and no portion of CFP's services should be construed as legal, accounting or insurance implementation services. Accordingly, CFP does not prepare estate planning documents, tax returns or sell insurance products. However, to the extent requested by a Client, CFP may recommend the services of other professionals for certain non-investment implementation purposes (e.g. attorneys, accountants, insurance agents, etc.), including, as disclosed below, IARs in their separate capacities as registered representatives or licensed agents of MMLIS. The Client is under no obligation to engage the services of any such recommended professional. The Client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from CFP. CFP does not receive any compensation for such recommendations.

**Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (*i.e.*, attorney, accountant, insurance agent, etc.), and **not** CFP, shall be responsible for the quality and competency of the services provided.

### **Solicitor Relationship With MML Investors Services, LLC ("MMLIS")**

For Clients introduced to CFP through a financial representative or an advisor registered with MMLIS, CFP has entered into a solicitor's agreement with MMLIS, pursuant to which investment advisor representatives ("IARs") of MMLIS introduce clients to CFP for investment advisory services. Pursuant to the terms of the Solicitor Agreement, IARs of MMLIS are responsible for the initial relationship with the Client, the introduction of the client to CFP, and some ongoing services provided to the Client should the Client engage CFP. Specifically, IARs are responsible for obtaining financial information from Clients, consulting with each Client regarding the Client's investment objectives and communicating changes in the Client's financial situation and investment objectives to CFP. CFP is responsible for the initial and ongoing determination of Client suitability for CFP's asset allocation strategies and managing the Client's assets consistent with the engagement letter and/or other agreements signed by the Client. MMLIS and/or the IAR are compensated in their capacities as solicitors.

### **Financial Planning/Financial Consulting Services**

CFP will provide its clients with financial planning and financial consulting services upon request. The precise scope and nature of such an engagement is determined on a Client-by-Client basis. These services generally involve cash flow analyses, integrating portfolio management into long-range planning, integrating general tax and estate implications into long-range planning and assisting Clients in planning their financial futures for themselves and next generations.

To the extent requested by a Client, CFP may recommend the services of other professionals for certain non-investment implementation purposes (*i.e.* attorneys, estate planners, accountants, insurance agents, etc.), including, as disclosed below, investment advisor representatives in their separate capacities as registered representatives or licensed agents of broker/dealers such as MMLIS. *The Client is under no obligation to engage the services of any such recommended professional. The Client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from CFP. CFP does not receive any compensation for such recommendations. If the Client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the Client agrees to seek recourse exclusively from the engaged professional.*

In performing its services, CFP is expressly authorized to rely on any information given by the Client or the Client's

professionals. CFP is not required to verify any information received from the Client or from the Client's other professionals. Each Client is advised that it remains the Client's responsibility to promptly notify CFP if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising CFP's previous recommendations and/or services.

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

Prior to engaging CFP to provide advisory services, each Client is required to enter into one or more agreements with CFP that define the terms, conditions, authority and responsibilities of CFP and the Client. The agreements include, without limitation, an Engagement Letter, an Investment Policy Statement and Risk Questionnaire ("IPS"), a Fee Agreement and the appropriate paperwork required by the custodian and, if applicable, the solicitor. The services covered by these agreements may include:

- Establishing an Investment Strategy – CFP, in connection with the Client, may develop a strategy that seeks to achieve the Client's goals and objectives. The strategy will be designed to address the Client's personal goals, investment goals, and both long-term and short-term objectives.
- Asset Allocation – CFP will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance of risk for each Client.
- Portfolio Construction – CFP will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – CFP will provide investment management and ongoing oversight of the Client's investment portfolio.
- Financial Planning – CFP will also provide financial planning for Clients upon request via a software program, "Hidden Levers."
- Custodial Arrangements – CFP has agreements with one or more custodians that will custody the assets in the portfolios created by CFP for the Client.

CFP shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, CFP shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the CFP's services.

**Portfolio Activity.** CFP has a fiduciary duty to provide services consistent with the Client's best interest. As part of its investment advisory services, CFP (on occasion and, in conjunction with the MMLIS representative, if applicable) will review Program Accounts on an ongoing basis to determine if any changes are necessary based upon various factors including, but not limited to, investment performance, market conditions, fund manager tenure, fund flows, style drift, account additions/withdrawals, financial circumstances or changes in the Client's investment goals or objectives. Based upon these and other factors, there may be extended periods of time when CFP determines that changes to a Client's Accounts are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by CFP will be profitable or equal any specific performance level(s).

**Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), CFP may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating CFP's advisory fee.

**ANY QUESTIONS: CFP's Chief Compliance Officer, Thomas N. O'Connor, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.**



**Trade Error Policy.** CFP shall reimburse accounts for losses resulting from CFP's trade errors but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within the CFP's custodian firm account and CFP retains the net gains and losses.

**Client Obligations.** In performing its services, CFP is expressly authorized to rely on any information given by the Client or the Client's professionals and is not required to verify any information received from the Client or from the Client's other professionals. It remains the Client's responsibility to promptly notify CFP and MMLIS if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising CFP's previous recommendations and/or services.

**Disclosure Statement.** A copy of the CFP's Privacy Notice, Form CRS ("Client Relationship Summary"), written Disclosure Brochure as set forth on Parts 2A and 2B of Form ADV and CFP's Wrap Fee Program Brochure, shall be provided to each Client prior to, or contemporaneously with, the execution of the applicable form of agreement between CFP's and the Client. Any Client who has not received a copy of CFP's written Disclosure Brochure at least 48 hours prior to executing such agreement shall have five business days subsequent to executing the agreement to terminate CFP's services without penalty.

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

CFP manages or places Client assets into one or more programs that qualify as a wrap fee program, as described below under Item 5 - Fees and Compensation. In the event CFP provides services on a wrap fee basis as a wrap program sponsor, the Client generally receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the Client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in Item 5 – Fees and Compensation.

If a client determines to engage CFP on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody) (**See** Item 4.B). The services included in a wrap fee agreement will depend upon each client's particular need. **Please Note:** When managing a client's account on a wrap fee basis, CFP shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted.

Conflict of Interest - Because wrap program transaction fees and/or commissions are being paid by or through CFP to the account custodian/broker-dealer, CFP could have an economic incentive to maximize its compensation by seeking to minimize the number of trades in the Client's account. See Item 5 - Fees and Compensation.

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

CFP is a newly established advisor. Assets under management shall be reported following CFP's December 31, 2021 fiscal year end. Clients may request more current information at any time by contacting CFP.

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

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The following paragraphs detail the fee structure and compensation methodology for services provided by CFP. The Client and CFP will enter into a written agreement detailing the fee for each account.

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

##### Investment Management Services

CFP's Wrap Program Fees are paid monthly, in arrears, pursuant to the terms of the engagement letter executed by the Client and CFP. CFP's Wrap Program Fees are paid at the end of each month based on the average daily balance of the assets under management during the month. CFP's Wrap Program Fee is applied to the entire account value unless stated otherwise in the engagement letter or in a subsequent agreement. CFP's Wrap Program Fee is based on several factors, including, without limitation: the complexity of the services to be provided, the level of assets to be

managed, and the overall relationship with CFP. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee. The fee schedule is attached and made part of the engagement letter signed by the Client.

CFP's Wrap Program fee includes brokerage commissions, transaction fees, expenses related to financial planning and other related costs and expenses. Clients may incur certain charges imposed by custodians, brokers, third-party investment managers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Wrap Program Fee, and we do not receive any portion of these fees and costs.

#### Fees Under Direct Relationship with CFP

For Clients who enter into a direct relationship with CFP alone (*i.e.* not through an IAR registered with MMLIS or another broker-dealer), the fees charged are negotiable but cannot exceed 1.85%. The exact amount of each client's fee will be as agreed upon and set forth in the Client Engagement Letter agreement between CFP and the Client.

#### Fees Under Solicitor Agreement with MMLIS

Representatives of **MML Investors Services, LLC** ("MMLIS" or "Solicitor") are paid (1) a solicitation fee (the "Solicitor Fee") by Catalyst Financial Partners, LLC ("CFP") for their services in referring clients to Catalyst for investment advisory services and (2) an administrative fee for administrative services in supporting Catalyst's advisory services, including supervising Solicitor's representatives ("Solicitor Administrative Fee"). The range of the Solicitor Fee to the MMLIS Representative and the Solicitor Administrative Fee are negotiable but cannot exceed 1.85%. The exact amount of each client's fee will be as agreed upon and set forth in the Client Engagement Letter agreement between CFP and the Client.

**Please refer to Exhibit A of your Catalyst Investment Advisory Agreement for the Fees associated with your Account(s).**

#### Fee Differential

The management fee charged by Catalyst includes the Solicitor Fee and Administrative Fee paid by Catalyst to the MMLIS Representative and MMLIS, respectively. This results in a differential in the management fees charged by Catalyst for accounts with respect to which Catalyst pays similar referral or solicitation fees and those for which no such arrangements or different arrangements exist or as to which all or a portion of such solicitation fee has been waived. Such differential is equal to the amount of the Solicitor Fee and Administrative Fee. Except for the differential in Catalyst's management fee, no additional charges or costs are incurred by Client by virtue of the solicitation activities.

Additionally, CFP, in its discretion, may charge a lesser fee, charge a flat fee, waive its fee entirely, waive its fees as to certain assets, or charge fees on a different interval, based upon certain criteria (*i.e.* anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

The Program may cost you more or less than purchasing our investment advice and Schwab's brokerage services separately. The relative cost of our Program to you is influenced by various factors, including the cost of our investment advice and Schwab's brokerage services if you purchased them separately, the types of investments held and traded in your account, and the frequency and size of trades we make for your account. For example, if the number of transactions in your account is low enough, or if your account materially consists of securities or asset types that do not incur commissions or transaction fees, the wrap fee you pay us may exceed a typical stand-alone investment advisory fee and separate brokerage commissions that you otherwise

would have paid. In addition, because the fees we pay Schwab and those that comprise a portion of the wrap fee you pay us include certain transaction fees, client accounts that trade relatively frequently could disproportionately benefit from the Program compared to accounts that trade less frequently.

As noted above, the nature and extent of the services provided by the IARs and by CFP may have an impact on the total fee charged to a particular Account. Please Note: When managing a Client's account, where the client was referred to CFP by a MMLIS IAR, the IAR receives a payment for his/her services, MMLIS receives a payment for its services and CFP receives its platform fee. Accordingly, CFP has a conflict of interest because CFP could have an economic incentive to maximize its compensation by seeking to minimize the number of transaction/total costs in a Client's account.

**ANY QUESTIONS: CFP's Chief Compliance Officer, Thomas N. O'Connor, remains available to address any questions that a client or prospective client may have regarding advisory fees**

## **B. Fee Billing**

CFP's Wrap Program Fees are calculated by CFP (or its delegate) and deducted from the Client's account[s] at the Custodian. CFP will provide written notice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the end of the month. The amount due is calculated by taking the average daily balance in the account and multiplying it by the number of days in the month. Clients will be provided with a statement, at least quarterly, reflecting deduction of the CFP's Wrap Program Fee. 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 CFP to be paid directly from their account[s] 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 CFP, 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. The fees charged by CFP are separate and distinct from these custodial and execution fees.

In addition, all fees paid to CFP for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of CFP, but would not receive the services provided by CFP which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by CFP to fully understand the total fees to be paid. *Please refer to "Item 12 – Brokerage Practices" for additional information.*

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

### Investment Management Services

CFP is compensated for its services monthly in arrears. The Client or CFP may terminate the investment advisory agreement at any time, effective on thirty (30) days' written notice. If the Client did not receive a copy of CFP's Brochure within forty-eight (48) hours prior to the time of executing the investment advisory agreement, the Client may terminate within five (5) days of establishing an Account with a full rebate of fees.

Termination will not affect the validity of any action previously taken by CFP under the investment advisory agreement; liabilities or obligations of the parties from transactions initiated before termination; or the obligation of the Client to pay fees and expenses incurred through the date of termination.

Termination will not automatically result in the redemption or sale of any positions held in the Account, and the

Client may choose to continue holding the securities in a standard brokerage account or move the holdings to an advisor or broker/dealer of the Client's choosing. Prior to the effective date of termination, the Client is obligated to provide written instructions to CFP as to where the Account or the cash proceeds therefrom should be transferred. If the Client does not provide such written instructions on a timely basis, or in the event of no instructions from the Client, the Account assets will be sold and the cash proceeds (less any outstanding fees or charges) will be sent to the Client's address of record. This sale of Account assets may result in certain tax and other liabilities for which the Client is responsible.

On the effective date of termination, CFP will no longer have an investment advisory relationship with the Client and will have no further obligation towards the Client for investment advisory services up to the date of termination.

Upon termination, the Client will be responsible to pay any pro-rata share of the fee earned up to the date of termination. The Client is responsible to pay for all services rendered, and all transactions effected, up through the date of termination.

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

CFP does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the CFP's Wrap Program Fee described above.

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

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CFP does not charge performance-based fees for its investment advisory services (fees based on a share of capital gains on, or capital appreciation of, the assets of a Client).

CFP does not manage any proprietary investment funds or limited partnerships and has no financial incentive to recommend any particular investment option to its Clients.

### **Item 7 – Types of Clients**

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CFP offers discretionary and non-discretionary investment supervisory/wealth management services and financial planning to individuals, family offices, closely held and family businesses, pension and profit-sharing plans, other qualified accounts, charitable institutions, foundations, endowments, trusts and other U.S. entities. The amount of each type of Client is available on CFP's Form ADV Part 1A. These amounts may change over time and are updated at least annually by CFP.

Subject to exceptions made at the discretion of the Company, the minimum account size for CFP is \$1,000,000.00. Additionally, CFP, in its discretion, may charge a lesser fee, charge a flat fee, waive its fee entirely, waive its fees as to certain assets, or charge fees on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

As noted above, the nature and extent of the services provided by the IARs and by CFP may have an impact on the total fee charged to a particular Account. **Please Note:** When managing a Client's account, where the client was referred to CFP by a MMLIS IAR, the IAR receives a payment for his/her services, MMLIS receives a payment for its services and CFP receives its platform fee. Accordingly, CFP has a conflict of interest because CFP could have an economic incentive to maximize its compensation by seeking to minimize the number of transaction/total costs in a Client's account. **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

**ANY QUESTIONS: CFP's Chief Compliance Officer, Thomas N. O'Connor remains available to address any questions that a client or prospective client may have regarding advisory fees.**

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

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### **A. Methods of Analysis**

CFP's methods of security analysis include, without limitation, charting, fundamental analysis, valuation analysis, technical analysis, momentum driven strategies and relative strength strategies. The main sources of information include financial newspapers and magazines, inspections of corporate activities, internal analyses, research materials prepared by others, research received from third parties, annual reports, prospectuses, filings with the SEC and company press releases. The investment strategies used to implement any investment advice given to Clients include long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), trading (securities sold within 30 days), securities swaps and options writing, including covered calls and married puts.

The investment advice provided by CFP is customized to fit the risk profile, goals, objectives, and other preferences of each individual Client, pursuant to a written IPS developed with and signed off on by the Client.

At the Client's request, CFP may accept transfers in kind and will supervise and manage those securities while reallocating the portfolio more closely with a strategy which corresponds to the Client's risk profile and tolerance. CFP attempts to make this transition on a tax-advantaged basis to the Client, but the tax consequences to the Client depends on a number of factors, including the sizes of the positions, the cost bases of the positions, the Client's individual tax circumstances and other factors. The transition of the portfolio likely will have some tax consequences to the Client. CFP does not provide tax advice to Clients and Clients should consult their own tax advisors with respect to the tax effect of any transaction.

As noted above, CFP generally employs a long-term investment strategy for its Clients, consistent with their financial goals. CFP will typically hold all or a portion of a security for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, CFP may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. CFP will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that the investment goals of any particular Client will be achieved.

While the methods of analysis help CFP in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. CFP monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on CFP's review process are included below in "Item 13 – Review of Accounts".

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. CFP will rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform CFP of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. CFP will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

Following are some of the risks associated with certain components of CFP's strategy:

#### Market Risks

The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors) but may also be incurred because of a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

#### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs has a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later. Actively managed ETFs do not necessarily seek to replicate the performance of a specified index. ETF shares are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Brokerage commissions and trading costs will reduce returns. An investor should consider investment objectives, risks, charges, and expenses before investing. A description of these items can be found in each fund's prospectus.

#### Bonds and Bond Funds

Bonds and bond funds likely will decrease in value as interest rates rise. Investment returns and principal values will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost and potentially subject to capital gains taxes. Tax-exempt fixed income strategies invest in securities designed to pay income that is exempt from certain income taxes, but a portion of the income may be subject to federal or state income taxes or the alternative minimum tax. Federal or state changes in income or alternative minimum tax rates or in the tax treatment of municipal bonds may make them less attractive as investments and cause them to lose value.

Bonds and bond funds are subject to specific risks, including the following: (1) interest rate risks, i.e. the risk that bond prices will fall if interest rates rise, and vice versa, the risk depends on two things, the bond's time to maturity, and the coupon rate of the bond; (2) reinvestment risk, i.e. the risk that any profit gained must be reinvested at a lower rate than was previously being earned; (3) inflation risk, i.e. the risk that the cost of living and inflation increase at a rate that exceeds the income investment thereby decreasing the investor's rate of return; (4) credit default risk, i.e. the risk associated with purchasing a debt instrument which includes the possibility of the company defaulting on its repayment obligation; (5) rating downgrades, i.e. the risk associated with a rating agency's downgrade of the company's rating which impacts the investor's confidence in the company's ability to repay its debt; and (6) Liquidity Risks, i.e. the risk that a bond may not be sold as quickly as there is no readily available market for the bond.

#### Call Risk

During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

#### Mutual Fund Risks

Mutual funds are operated by investment companies that raise money from shareholders and invests it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest

aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). Past performance for mutual funds does not guarantee future results.

#### International Investments

In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations.

#### Options Contracts

In limited circumstances when consistent with a client's investment objective(s), CFP may employ the use of options strategies, which involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by CFP shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. Although the intent of the options-related transactions that may be implemented by CFP is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct CFP, in writing, not to employ any or all such strategies for their accounts. For detailed information on the use of options and option strategies, please refer to the Option Clearing Corp.'s Option Disclosure Document, which can be found at: <http://www.optionsclearing.com/components/docs/riskstoc.pdf>. Hard copies may be ordered by calling 1-888-678-4667 or writing OCC, 1 North Wacker Drive, Suite 500 Chicago, IL 60606.

#### Real Estate Investment Trusts ("REITs")

Investing in REITs involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation.

REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

#### Oil and Gas Investments and MLPs

Investing in oil and gas interests, whether directly or as part of a fund/ETF/Master Limited Partnership ("MLP"), involves distinct risks. The price of oil and gas interests may fluctuate to a greater degree than other securities and contain additional risks based on the supply and demand for oil and gas. Some of these additional risks include the ability to obtain reliable oil and gas supply, oil and gas reserve estimates, the ability to locate markets for oil and gas, fluctuations in prices, and regulatory risks. The values of oil and gas interests are subject to market risk by a range of variables that could cause trends to differ materially.

#### Other Commodity-Related Investments

Commodity-related investments may be speculative and may involve a high degree of risk. Commodities markets have historically been volatile, creating the potential for losses regardless of the length of time an investment is held.

#### Emerging and Frontier Markets Investments

Emerging markets and frontier markets involve heightened risks relative to other sectors of the market, as well as increased volatility and lower trading volume. Investments in smaller companies typically exhibit higher volatility. Narrowly focused investments typically exhibit higher volatility.

#### Alternative Investments (Limited Partnerships)

The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity.



An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investment that may carry much higher risks than other types of investments such as those listed above. Clients should only have a limited portion of their assets invested in these types of investments.

***Past performance of any of these investments 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 CFP.***

## **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving CFP or any of its Supervised Persons.** CFP values 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 by our firm name or our CRD# 299335.

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

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As indicated at Item 4 above, CFP does not serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as providing such services. Accordingly, CFP does not prepare legal documents, prepare tax returns, or sell insurance products. The sole business of CFP is to provide advisory services to its Clients. CFP is not involved in other business endeavors.

CFP has an affiliation with MMLIS, as described above. CFP utilizes the services of Charles Schwab & Co. (“Schwab”) as a Custodian.

- A. **Registered Representative of MMLIS.** As disclosed above in Item 5.E, one of CFP’s representative, Thomas N. O’Connor, is a registered representative of MMLIS, a FINRA member broker-dealer. Clients may choose to engage Mr. O’Connor, in his separate and individual capacity as registered representative of MMLIS, to implement investment recommendations on a commission basis.
- B. Neither CFP, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. CFP is affiliated through cross-ownership with Baystate Financial Services, LLC (“Baystate Financial Services”) and BWM. The owners of CFP are also owners of BWM. David C. Porter is also an owner of Baystate Financial Services. CFP pays BWM a fee to license its intellectual property, portfolios and administrative and operations costs. While Baystate Financial Services has no ownership interest in CFP, Mr. Porter is a principal with both companies.

Baystate Financial Services offers securities and investment advisory products through MMLIS. Baystate Financial Services offers insurance products through Massachusetts Mutual Life Insurance Company and/or affiliated or unaffiliated insurance companies (MML). MML is unaffiliated with CFP.

Thomas N. O’Connor is a founding partner of the law firm, O’Connor, Carnathan and Mack, LLC (“OCM”). Mr. O’Connor assumed an “Of Counsel” status with OCM as of December 31, 2013. Therefore, as of that date, he is no longer a member of OCM, although he is Of Counsel and thus remains affiliated with OCM. Other than Mr. O’Connor, there is no cross ownership or affiliation by and between OCM, on the one hand, and CFP, on the other hand.

Certain of the Company’s employees may be licensed to practice law. However, no such persons provide legal services to any of the Company’s Clients, and no corresponding Attorney-Client relationship is established.

CFP does not maintain any affiliations with any other firms, except for contracted service providers to assist with the servicing of its Client’s accounts.



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

### **A. Code of Ethics**

CFP has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with CFP (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. CFP and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of CFP’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code.

In accordance with Section 204A of the Investment Advisers Act of 1940, CFP also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by CFP or any person associated with CFP.

The Code of Ethics includes provisions relating to our duties to Clients, confidentiality of Client information, prohibited acts, conflicts of interest, and personal securities transactions, among other things. All Supervised Persons are expected to strictly adhere to these guidelines, as well as the procedures for approval and reporting established in the Code of Ethics. They must acknowledge the terms of the Code of Ethics annually. To request a copy of our Code, please contact us at (617) 239-8101.

CFP has instituted, as a deterrent, a policy of disciplinary actions to be taken with respect to any Supervised Person who violates the Code of Ethics. The Company has a privacy policy ensuring that personal information of Clients is not disclosed to third parties. However, certain personal information may be disclosed to the broker-dealer, the IARs, to the Custodian and to certain third-party providers of services to CFP and its Clients, but only as needed to conduct investment advisory services related to the services provided by CFP to its Clients. A copy of the Privacy Policy is available on request and will be sent to the Client on a yearly basis.

### **B. Personal Trading with Material Interest**

CFP allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, but only under certain defined circumstances. This is particularly true if our Supervised Persons have accounts at CFP.

Supervised Persons (or family/household members of Supervised Persons) having beneficial ownership or control of an account may not buy or sell a security within one (1) day before or after executing a transaction in the same security in a Client’s Account unless the market capitalization of that Security is \$500 million or more. In addition, Supervised Persons (or family/household members of Supervised Persons) having beneficial ownership or control of an account may not buy or sell the same Security on the same day as a Client Program Account unless;

- 1) Block Trading is utilized where the Clients’ Account(s) and the Supervised Person’s account get the same price (may only be used in discretionary accounts); or
- 2) If not using Block Trading, the Client order is entered prior to the Supervised Person’s personal trade and the Client receives an equal or a better price.

CFP does not act as principal in any transactions. In addition, CFP does not act as the general partner of a fund or advise an investment company. CFP does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

As noted above, CFP allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients under certain circumstances. Owning the same securities, we recommend to you (purchase or sale) presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted certain policies and procedures and our Code of Ethics to address insider trading (material non-public information controls); gifts and entertainment; outside business activities; and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the

best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by the policies and procedures outlined above and by CFP requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer (“CCO”) or delegate/OR by conducting a coordinated review of personal accounts and the accounts of the Clients. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

CFP and/or representatives of CFP *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where CFP and/or representatives of CFP are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, CFP has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of CFP’s Access Persons. **At no time will CFP, or any Supervised Person of CFP, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

If the Client requests that CFP recommend a broker-dealer/custodian for execution and/or custodial services, CFP generally recommends (but does not require) that investment advisory accounts be maintained at Schwab Advisor Services, a division of Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer and member of SIPC, to maintain custody of clients’ assets and to effect trades for their accounts. Schwab will serve as the Client’s “qualified custodian.” CFP maintains an institutional relationship with Schwab, whereby CFP receives economic benefits from Schwab (*Please see Item 14 – Client Referrals and Other Compensation below*).

The final decision to custody assets with Schwab is at the discretion of the Advisor’s clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. CFP is independently owned and operated and not affiliated with Schwab. Schwab provides CFP with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to advisors. Schwab’s services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab also makes available to CFP other products and services that benefit CFP but may not benefit its clients’ accounts. These benefits may include national, regional or CFP specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of CFP by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist CFP in managing and administering clients’ accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of CFP’s fees from its clients’ accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of CFP’s accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to CFP other services intended to help CFP manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to CFP by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay

all or a part of the fees of a third-party providing these services to CFP. While, as a fiduciary, CFP endeavors to act in its clients' best interests, CFP's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to CFP of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Prior to engaging CFP to provide investment management services, the Client will be required to enter into a formal Investment Advisory Agreement with CFP setting forth the terms and conditions under which CFP will advise on the Client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Schwab has eliminated commissions for online trades of equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most cases, when CFP buys and sells these types of securities, it will not have to pay any commissions to Schwab. CFP encourages Clients to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If a Client chooses to enter into a wrap fee arrangement, the Client's total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at [schwab.com/aspricingguide](https://www.schwab.com/aspricingguide).

Factors that CFP considers in recommending Schwab (or any other broker-dealer/custodian) to Clients include the historical relationship with CFP, financial strength, reputation, execution capabilities, pricing, research, and service. Although the transaction fees paid by CFP's Clients shall comply with CFP's duty to obtain best execution, a non-wrap fee Client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where CFP determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although CFP will seek competitive rates, it may not necessarily obtain the lowest possible rates for Client account transactions. Unless services are provided in conjunction with a wrap program, transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, CFP's Wrap Program Fee.

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the broker/dealers/custodians in exchange for research and other services. CFP does participate in soft dollar programs sponsored or offered by any broker-dealer/custodian, specifically, Schwab. Under a limited, one-time offer, CFP is receiving eligible third-party vendor services and services provided by Schwab affiliates for marketing, technology, consulting and research expenses. This arrangement will conclude on December 31, 2021.

**2. Soft Dollar Research and Benefits:** Although not a material consideration when determining whether to recommend that a Client utilize the services of a particular broker-dealer/custodian, CFP can receive from Schwab (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist CFP to better monitor and service Client accounts maintained at such institutions. Included within the support services that can be obtained by CFP can be investment-related research, pricing information and market data, software and other technology that provide access to Client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including Client events, computer hardware and/or software and/or other products used by CFP in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that are received will assist CFP in managing and administering client accounts. Other products and services do not directly provide such assistance, but rather assist CFP to manage and further develop its business enterprise.

CFP's Clients do not pay more for investment transactions effected and/or assets maintained at Schwab because of this arrangement. There is no corresponding commitment made by CFP to Schwab, or any other any entity, to invest any specific amount or percentage of Client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**3. Brokerage Referrals** - CFP does not receive any compensation from any third-party in connection with the recommendation for establishing an account.

**4. Directed Brokerage** - CFP recommends that its Clients utilize the brokerage and custodial services provided by Schwab. CFP generally does not accept directed brokerage arrangements (when a Client requires that account transactions be effected through a specific broker-dealer). In such Client directed arrangements, the Client will negotiate terms and arrangements for their account with that broker-dealer, and CFP will not seek better execution services or prices from other broker-dealers or be able to "batch" the Client's transactions for execution through other broker-dealers with orders for other accounts managed by CFP. As a result, a Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Please Note: In the event that the Client directs CFP to effect securities transactions for the Client's accounts through a specific broker-dealer, the Client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the Client determined to effect account transactions through alternative clearing arrangements that may be available through CFP. Higher transaction costs adversely impact account performance. Please Also Note: Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

## **B. Aggregating and Allocating Trades**

Transactions for each Client account generally will be effected independently unless CFP decides to purchase or sell the same securities for several Clients at approximately the same time. CFP may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among CFP's Clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Clients in proportion to the purchase and sale orders placed for each Client account on any given day. CFP shall not receive any additional compensation or remuneration as a result of such aggregation.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Generally, accounts are reviewed and monitored on a regular basis by the portfolio managers. Account holdings are reviewed when changing market conditions, tax considerations and other factors warrant.

The Compliance department also reviews accounts periodically, when circumstances warrant review, often in conjunction with a portfolio manager or as an adjunct to the Investment Committee.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify CFP if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan.

Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

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].

In addition, CFP provides Clients with access to a performance reporting system.

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

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### **A. Compensation Received by CFP**

#### Participation in Institutional Advisor Platform

As indicated in Item 12, CFP has established an institutional relationship with Schwab to assist CFP in managing Client account[s]. Access to the Schwab platform is provided at no charge to CFP. CFP receives access to software and related support without cost because CFP renders investment management services to Clients that maintain assets at Schwab. The software and related systems support may benefit CFP, but not its Clients directly. There is no commitment made by CFP to Schwab, or any other entity, to invest any specific amount or percentage of Client assets in any specific mutual funds, securities or other investment products as a result of this arrangement. In fulfilling its duties to its Clients, CFP endeavors to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence CFP's recommendation of this Custodian over one that does not furnish similar software, systems support, or services.

The following benefits are also received from Schwab: reimbursement to Clients for transfer costs to the platform/custodian; financing services; receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

Clients do not pay more for investment transactions effected and/or assets maintained at Schwab (or any other institution) as result of this arrangement. There is no corresponding commitment made by CFP to Schwab, or to any other entity, to invest any specific amount or percentage of Client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**ANY QUESTIONS: CFP's Chief Compliance Officer, Thomas N. O'Connor, remains available to address any questions that a Client or prospective Client may have regarding the above arrangement and the corresponding conflict of interest presented by such arrangement.**

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

If a Client is introduced to CFP by either an unaffiliated or an affiliated solicitor, CFP may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the total investment management fee and shall not result in any additional charge to the Client. If the Client is introduced to CFP by any unaffiliated solicitor, the solicitor at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship and shall provide each prospective Client with a copy of CFP's written Brochure and a copy of the written disclosure statement disclosing the terms of the solicitation arrangement between CFP and the solicitor, including the compensation to be received by the solicitor from CFP.

In addition, CFP may on occasion act as a solicitation agent for other investment advisory firms. In those circumstances, CFP will comply with Rule 206(4) -(3) of the Investment Advisers Act of 1940.

## Item 15 – Custody

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CFP does not accept or maintain custody of any Client accounts, except for the authorized deduction of CFP'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 CFP to utilize that Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by CFP to ensure accuracy, as the Custodian does not verify the accuracy of CFP's advisory fee calculations. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices".

If the Client gives CFP authority to move money from one account to another account, CFP may have custody of those assets. To avoid additional regulatory requirements, the Custodian and CFP have adopted safeguards to ensure that the money movements are completed in accordance with the Client's instructions.

**ANY QUESTIONS: CFP's Chief Compliance Officer, Thomas N. O'Connor, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## Item 16 – Investment Discretion

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CFP 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 CFP. 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 CFP will be in accordance with each Client's investment objectives and goals.

When selecting securities and determining amounts, CFP observes the investment policies, limitations and restrictions of the Clients for whom it provides investment advice. For registered investment companies, CFP's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions imposed by the Client (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Adviser's use of margin, etc.), must be provided to CFP in writing by the Client in the IPS and must be approved by CFP.

## Item 17 – Voting Client Securities

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CFP does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. CFP will assist in answering questions relating to proxies, however, Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Adviser to discuss any questions they may have with a particular solicitation.

## Item 18 – Financial Information

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

CFP has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: CFP's Chief Compliance Officer, Thomas N. O'Connor, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**