

## **Item 1 Cover Page**

Creative Capital  
68 Avnei Hahoshen  
Givat Zev, Israel

February 9, 2021

**This brochure provides information about the qualifications and business practices of Creative Capital. If you have any questions about the contents of this brochure, please contact us at (718) 355-8965 or [creativecapllc@gmail.com](mailto:creativecapllc@gmail.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as a registered investment advisor does not imply a certain level of skill or training.**

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

## **Item 2 Material Changes**

This is a new brochure and there has not been a previous annual update. Therefore, there are no changes to report.

### Item 3 Table of Contents

#### Brochure

Item 1 Cover Page .....	i
Item 2 Material Changes.....	ii
Item 3 Table of Contents .....	iii
Item 4 Advisory Business .....	4
Item 5 Fees and Compensation .....	4
Item 6 Performance-Based Fees and Side-by-Side Management.....	5
Item 7 Types of Clients.....	6
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9 Disciplinary Information .....	9
Item 10 Other Financial Industry Activities and Affiliations .....	10
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	10
Item 12 Brokerage Practices .....	11
Item 13 Review of Accounts .....	15
Item 14 Client Referrals and Other Compensation.....	16
Item 15 Custody.....	17
Item 16 Investment Discretion.....	17
Item 17 Voting Client Securities .....	17
Item 18 Financial Information .....	17

## **Item 4 Advisory Business**

Creative Capital is a new investment advisor firm with a registration pending with the U.S. Securities and Exchange Commission ("SEC").

The principal owner of Creative Capital is Yosef Stilerman, Managing Member.

### Advisory Services

Creative Capital's (or "Advisor") principal service is providing fee-based investment advisory services. The Advisor practices custom management of portfolios, on a discretionary basis, according to the client's objectives. The Advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The Advisor may use any of the following: exchange listed securities, over-the-counter securities, options contracts in securities, and interests in partnerships investing in real estate to accomplish this objective. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance.

Creative Capital will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services.

Creative Capital will tailor its advisory services to its client's individual needs based on meetings and conversations with the client. If clients wish to impose certain restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client's requirements.

Creative Capital does not provide portfolio management services to wrap fee programs.

As of the approval date of the firm, Creative Capital had no clients and therefore no client assets under management.

## **Item 5 Fees and Compensation**

### Asset Management Fees

Pursuant to an investment advisory contract signed by each client, the client will pay Creative Capital a 2.0% annual management fee, payable quarterly in advance, based on the value of portfolio assets of the account managed by the Advisor as of the opening of business on the first business day of each quarter. The management fee may be adjusted to account for significant contributions or withdrawals made to the account during the quarter. New account fees will be prorated from the inception of the account to the end of the first quarter.

These fees may be negotiated at the sole discretion of the Advisor. Asset management fees will be directly deducted from the client account on a quarterly basis by the qualified custodian. The client will give written authorization permitting the Advisor to be paid directly from their account held by the custodian. The custodian will send a statement at least quarterly to the client.

At no time will Creative Capital accept or maintain custody of a client's funds or securities except for authorized fee deduction. Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Advisor's fee is separate and distinct from the custodian and execution fees.

Creative Capital's management fee is payable in advance. Upon termination, any fees paid in advance will be prorated to the date of termination and any unearned fees will be refunded to client.

Neither Creative Capital nor its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

The firm may receive a Performance Fee in addition to the Management Fee based upon any gains obtained in the client's account per semi-annual billing period. This fee will be equal to 20% of any gains in the client account during that period. The Performance Fee will be subject to a "high water mark" to ensure that the firm will not receive the Performance Fee unless, and only to the extent that, there are cumulative gains in the client's account during the calendar year. The Performance Fee will be calculated in arrears on a semi-annual basis and deducted from the client account concurrent with the first and third quarter management fees, unless the cumulative gain has not passed the high water mark. For accounts terminated before the end of the billing period, Advisor will calculate the Performance Fee for the period from the beginning of the billing period through the termination date and deduct the fee directly from the client account.

There is an inherent conflict of interest when a firm charges performance-based fees to some accounts and management fees based on a percentage of assets under management to other accounts, in that an advisor is incented to favor the accounts from which it will earn higher compensation. To mitigate this conflict, the firm provides its advisory services to all client accounts, including those clients who are not charged a performance fee. These services include evaluation of investor suitability and adhering to the investor risk profile when making investment decisions, client communications and account reviews that are the same for all clients, and availability by the firm and supervised persons to meet with clients as necessary. In addition, the firm maintains trading policies and a Code of Ethics that are intended to deliver consistency, that no one client is favored over another.

Another conflict of interest concerning accounts with performance-based fees is that the advisor is incentivized to use higher risk investments than called for by the client risk profile. Such investments may generate higher returns, which in turn would generate higher performance-based fees for the advisor. Creative Capital has a fiduciary obligation to its clients to put the interest of their clients first over and above the interest of the firm and its supervised persons. In addition,

Creative Capital attempts to further mitigate this conflict by maintaining suitability and employing trading policies and procedures designed to assist the advisor in further meeting its fiduciary obligations to adhere to the client's agreed upon risk profile.

### **Item 7 Types of Clients**

The Advisor will offer its services to individuals, trusts, estates, or charitable organizations, corporations, and other business entities.

The Advisor's cumulative minimum account requirement for opening and maintaining an account is \$250,000. However, based on facts and circumstances the Advisor may, at its sole discretion, accept accounts with a lower value.

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

The Advisor may utilize fundamental, technical or cyclical analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of businesses involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives; to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

The investment strategies the Advisor will implement may include long term purchases of securities held at least for one year; short term purchases for securities sold within a year; trading of securities sold within 30 days, short sales; margin transactions; or option writing, including covered options, uncovered options or spreading strategies.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time

horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.).

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

In cyclical analysis, economic or business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. Also, the lengths of the economic cycles may be difficult to predict with accuracy. Therefore, the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

The primary risks in technical analysis are that the factors used to analyze the price, trends and volatility of a security may not be replicated, or the outcomes of such analysis will not be the same as in past periods where similar combinations existed. Because of the reliance on trends, technical analysis can signal buying at market peaks and selling at market troughs.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks. Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

Every saving and investment product have different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be. The primary risks faced by investors include:

#### Business Risk

With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

### Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

### Inflation Risk

Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

### Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

### Risks Related to Options Strategies

The Advisor employs investment strategies that utilize buying and selling options. Options are financial contracts that have values derived from underlying assets. Like stocks, bonds, and exchange-traded-funds, options carry no guarantees and investors in options may lose the entire principal invested, or more. Using options on an underlying security creates risks that are different from investing in that security, and unique skills may be required to use options strategies effectively. Option prices tend to be much more volatile than their underlying securities due to leverage that is fundamental to their design, which can magnify the price changes in the option relative to the underlying security.

Option sellers tend to bear significantly more risk than option buyers. While the maximum loss of a purchased option is generally limited to the option's price, a written (or sold) option can incur losses in excess of the value of the option or collateral required. For example, a short put option by itself can incur a loss equal to the strike price if the stock price goes to zero. A short call option by itself can theoretically have unlimited losses if the underlying stock price increases significantly past the strike price.

Option strategies may be subject to "pin risk" which occurs when the underlying security is near the option's strike price close to expiration. Such situations can cause the risk management of a large option position to be very challenging, especially in volatile markets. Option selling strategies on ETFs may also be subject to the risk of early exercise, which forces an involuntary transaction in the underlying security, potentially causing risk management challenges.

The performance of an option strategy is influenced by the selection of underlying securities, expiration dates and strike prices. Similar option strategies using different underlying securities can have significantly different results. The success or failure of option strategies to accomplish their objectives can be significantly impacted by timing of market price movements relative to the expirations of long and short options held in the portfolio. Additionally, similar option strategies with different strike price selections can have significantly different results over time.



Some strategies aim to benefit from a tendency of the market to price options above their statistically expected payoff, however such tendency may not hold in the future. Even if the tendency does hold, portfolio returns may be dominated by other factors, such as the returns of the underlying assets.

**Protection** strategies that purchase put options with the aim of hedging portfolios against extreme market losses may underperform over short or long time periods in the absence of declines in the prices of the underlying securities that compensate the put buyer in excess of the price paid for the puts. The securities underlying long put option positions in a portfolio may outperform other securities in the market, leading to losses on the put options that may not have occurred if put options on different securities had been selected. In effort to reduce the cost of protection, lower strike prices may be selected, resulting in an increased likelihood the put options would expire without value.

**Yield**, or income, strategies using options, for example call overwriting or put-writing, typically involve sacrificing some or all gains in the underlying security, and/or dividends, in exchange for receiving the premium of the option sold as a yield. In such strategies the investor may be exposed to a risk of loss comparable with that of the underlying security, with potential gains significantly limited.

**Equity Replacement** strategies also typically sacrifice upside and/or dividends for another benefit, such as limited downside protection or enhanced returns up to a cap. If the underlying security is under significant market stress, the risk of these strategies may be similar to the security itself. Such strategies that sacrifice upside may underperform the underlying security dramatically. Such strategies that give up dividends may underperform if the underlying security does not appreciate to a level sufficient to compensate for the loss of dividends.

The value of an option may or may not correlate precisely with the value of the underlying security, and may be less liquid or hard to value. The performance of option strategies may be negatively impacted by unexpected market behavior or events. Using options can have different tax consequences compared with investments in the underlying securities, and using options could increase or accelerate taxes. No information received from Creative Capital should be construed as tax or legal advice.

The Advisor does primarily recommend that clients invest in exchange-listed and over-the-counter equity securities, options contracts on securities, and interests in partnerships investing in real estate. The material risks of these types of investment are discussed above.

## **Item 9 Disciplinary Information**

Neither Creative Capital nor its management persons have had any legal or disciplinary events, currently or in the past.

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

Neither Creative Capital nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Creative Capital does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund” and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

Creative Capital does not recommend or select other investment advisers for clients.

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

Creative Capital is registering with the SEC and maintains a Code of Ethics pursuant to SEC Rule 204A-1. Creative Capital’s Code of Ethics sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Creative Capital deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Creative Capital are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. Creative Capital collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Creative Capital will provide a copy of the Code of Ethics to any client or prospective client upon request.

Creative Capital does not recommend to clients, or buy or sell for client accounts, securities in which the firm or a related person has a material financial interest

Creative Capital and/or its investment advisor representatives may from time to time purchase or sell products that they may recommend to clients. This practice creates conflicts of interest in that personnel of Creative Capital can take advantage of the advance knowledge of firm securities trading and trade their personal accounts ahead of the client trades or recommend trades in client accounts that may affect the price of the securities owned by the Investment Advisor Representatives. To mitigate these conflicts, Creative Capital has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Creative Capital deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Creative Capital are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates. Creative Capital collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed quarterly by the Chief Compliance

Officer to identify and resolve potential conflicts of interest. Creative Capital's Code of Ethics is available upon request. Finally, supervised persons of registered investment advisors are fiduciaries by law and are required to put the client's interest before those of the firm and themselves.

Creative Capital requires that its investment advisor representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

Investment Advisor Representatives of Creative Capital may trade for their own accounts securities that are being traded for client accounts at or about the same time. To mitigate the conflict of interest in such circumstances, Creative Capital's policy is to require the trading of all relevant client account prior to the trading of their own accounts. The Chief Compliance Officer examines personal trading activities of Creative Capital's personnel to verify compliance with this policy.

## **Item 12 Brokerage Practices**

### **The custodian and brokers we use**

Creative Capital does not maintain custody of your assets, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use the TD Ameritrade Institutional program, a division of TD Ameritrade, Inc. (“TD Ameritrade”) member FINRA/SIPC, or Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with TD Ameritrade or Schwab. TD Ameritrade and Schwab do not supervise Creative Capital, its investment adviser representatives, activities, or its regulatory compliance. TD Ameritrade or Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use TD Ameritrade or Schwab as custodian/broker, you will decide whether to do so and will open your account with TD Ameritrade or Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at TD Ameritrade or Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

Creative Capital may receive proprietary research services or other products as a result of recommending a particular broker which may result in the client paying higher commissions than those obtainable through other brokers. If Creative Capital does receive such products or services, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

The firm seeks to obtain the most favorable net results for clients' price, execution quality, services and commissions. Although the firm seeks competitive commission rates, it may pay commissions on behalf of clients which may be higher than those available from other brokers in order to receive other services. The firm may enter into such transactions so long as it determines in good faith

that the amount of commission paid was reasonable in relation to the value of the brokerage and research services provided by the broker. The services that may be considered in this determination of reasonableness may include (1) advice, either directly or through publications or writing, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or (3) effecting securities transactions and performing functions incidental thereto. Such research furnished by broker-dealers may be used to service any or all of Dynamique's clients and may be used in connection with accounts other than those that pay commissions to the broker-dealers providing the research. In particular, third-party research provided by broker-dealers may be used to benefit all of the firm's clients. This creates a conflict of interest in that the firm has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution.

Benefits received may be used as soft dollars provided that:

- The service is primarily for the benefit of Creative Capital's clients
- The commission rates are competitive with rates charged by comparable broker-dealers; and
- Creative Capital does not guarantee a minimum amount of commissions to any broker-dealer.

Creative Capital does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

#### **How we select brokers/custodians.**

Creative Capital recommends that all clients use a particular broker-dealer for execution and/or custodial services. We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients

- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

As an investment advisory firm, Creative Capital has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. Creative Capital’s primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Creative Capital may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker.

#### **Schwab brokerage and custody costs.**

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds, ETFs, and online stock and options trades) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions and asset-based fees, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker/dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

#### **Products and services available to us from Schwab.**

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

#### **Schwab services that benefit you.**

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available

through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that may not directly benefit you.**

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide pricing and other market data
- facilitate payment of our fees from our clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

**Services that generally benefit only us.**

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

**Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. This creates an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of

Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

For any such products and services Creative Capital receives from Schwab or other custodians, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

Creative Capital does not permit clients to direct brokerage. Not all firms require their clients to direct brokerage.

Creative Capital may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of Creative Capital's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Creative Capital may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

### **Item 13 Review of Accounts**

Investment advisory client accounts are monitored on an ongoing basis. Client accounts are reviewed by Yosef Stilerman, Managing Member. The nature of the review is to determine if the client account is still in line with the client's stated objectives.

The firm reviews client accounts on an annual basis, or when conditions would warrant a review based on market conditions or changes in client circumstances. Triggering factors may include Creative Capital becoming aware of a change in client's investment objective, a change in market conditions, change of employment, or a change in recommended asset allocation weightings in the account that exceed a predefined guideline.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive other supporting reports from mutual funds, asset managers, trust companies or other custodians, insurance companies, broker-dealers and others who are involved with client accounts. Creative Capital does not deliver separate client reports.

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

Creative Capital is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure.

As disclosed under Item 12 above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

Creative Capital may compensate persons or firms for client referrals in compliance with the Adviser's Act and state securities rules and regulations. The fees paid to referral sources do not affect the fees clients pay to Creative Capital. In each instance, a written agreement will exist between the Advisor and the referral source. At the time of a referral, prospective advisory clients will receive the Advisor's Brochure and a Solicitor's Disclosure Document. Creative Capital has established policies and procedures to ensure that its solicitation activities are compliant with the requirements under Rule 206(4)-3 of the Adviser's Act and state securities rules and regulations.



## **Item 15 Custody**

Creative Capital does not have custody of client funds or securities, except for the withdrawal of advisory fees directly from client accounts (please see Item 5 which describes the safeguards around direct fee deduction). However, as noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements carefully. Any discrepancies should be immediately brought to the firm's attention.

## **Item 16 Investment Discretion**

Creative Capital 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 for each transaction. 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 Creative Capital.

Discretionary authority will only be provided 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 Creative Capital will be in accordance with each client's investment objectives and goals.

## **Item 17 Voting Client Securities**

Creative Capital will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Creative Capital cannot give any advice or take any action with respect to the voting of these proxies. The client and Creative Capital agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

## **Item 18 Financial Information**

Creative Capital does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and is not required to file a balance sheet.

Creative Capital has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Creative Capital does become aware of any such financial condition, this brochure will be updated and clients will be notified.

Creative Capital has never been subject to a bankruptcy petition.