



**CROWN
CAPITAL**
SECURITIES, L.P.

Part 2A of Form ADV: Firm Brochure

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This firm brochure ("Brochure") provides information about the qualifications and business practices of Crown Capital Securities, L.P. ("Crown" or the "Firm"), a SEC registered investment adviser.* If you have any questions about the contents of this brochure, please contact us at 714-547-9481 or jfrench@crowncapitalsecurities.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.

Additional information about Crown Capital Securities, L.P., is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by using the Firm's full name or a unique identifying number, known as a CRD number. Our firm's CRD number is 6312.

*Registration with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

Consistent with SEC rules, Crown seeks to ensure that our clients receive a summary of any material changes made to this and subsequent Disclosure Brochures within 120 days after the close of our fiscal year.

Furthermore, we will provide interim disclosure regarding certain material changes as necessary.

The following material amendments have been made to this Brochure since our last annual amendment filing on March 31, 2021:

On June 24th, 2021, Crown was the subject of an SEC Order which alleges breach of fiduciary duty by Crown in connection with its receipt of third-party compensation from certain mutual funds recommended to clients without fully and fairly disclosing its conflicts of interest (See amended disclosure at Item 5 and Item 9).

Please note, only material amendments made to this Disclosure Brochure since our last annual updating amendment are included in this summary.

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Item 4: Advisory Business

Crown Capital Securities, L.P. ("Crown"), which is a SEC-registered investment adviser, is also a FINRA registered broker-dealer. Crown began conducting business in 1999 with its principal place of business located in Orange, California.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

- Mr. Darol K. Paulsen, CEO
- Delta Broker Holding, LLC, Shareholder

Delta Broker Holding, LLC, is a Limited Partner of Delta Capital Holdings, LLC. The general partner, Delta Capital Holdings, LLC, is controlled by RET, LP, and the Paulsen Trust, collectively referred to as the "members".

Crown provides investment advisory services to a variety of clients. Our investment advice is delivered through our investment adviser representatives ("Advisory Associates") who are also registered as securities representatives of our broker-dealer. Advisory Associates provide advisory services on a non-discretionary or discretionary basis. Clients who select a non-discretionary agreement must be contacted by their Advisory Associate and give prior consent to any transactions. Clients with discretionary agreements have authorized their Advisory Associate to manage the account without prior consent for each transaction. Clients may impose limitations on discretionary agreements, if preferred.

Crown currently manages \$1,076,725,221 on a non-discretionary basis and \$93,746,608 on a discretionary basis in its Advisory Programs as of 12/31/2021.

Crown offers the following advisory services to our clients:

Financial Planning Services Investment Supervisory Services

Crown Heritage Program (Wrap Fee or Non-Wrap Managed Account Options)

Crown Heritage Adviser Advantage Program (Wrap Fee Program)

Crown Sterling Adviser Program (Wrap Fee or Non-Wrap Managed Account Options)

Advisory Referral Services to various Third Party Asset Managers

Financial Planning Services

We provide financial planning services. The goal of financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to estimate future cash flows, asset values and withdrawal plans. Through the financial planning process, a wide range of questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients may purchase this service in one or more of the following ways:

1. Hourly Financial Planning consultation services
2. A written Financial Plan
3. An annual Financial Planning Service Agreement

In general, the financial planning services can address any or all of the following areas:

Personal: We review family records, budgeting, personal liability, estate information and financial goals.

Tax & Cash Flow: We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.

Investments: We analyze investment alternatives and their effect on the client's portfolio.

Insurance: We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

Retirement: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.

Corporate Planning: We assist the client with formulating long term business goals, strategic planning, performance metrics, executive compensation plans and employee benefits.

Death & Disability: We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.

Estate: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

Real Estate: Advisory Associates with appropriate background, experience, and licenses in real estate may provide assistance with the valuation, structuring and disposition of real property. Advisory Associates in their separate capacity(ies), are able to offer these real estate services to advisory clients for separate and typical compensation (i.e., commissions, or other sales-related forms of compensation). These services are considered an outside business activity and are not offered by Crown.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. It is possible that recommendations made to any one client may be contrary to or exactly the opposite of recommendations made to other clients because many different Advisory Associates in different locations will be making investment recommendations to clients.

The recommendations provided in any of the following “Financial Planning Services” will be valid as of the date(s) provided and will not be valid for any period beyond that (those) date(s).

Hourly Financial Planning consultation services:

Clients can receive financial planning advice on a more focused basis for an hourly fee. This may include advice on only an isolated area(s) of concern such as specific investments, estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

A written Financial Plan:

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client and prepare a written report. Should the client choose to implement the recommendations

contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

This service may also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

The client will agree to the scope and depth of each financial plan in advance. In addition, all fees, deliverables and timeline will be determined in advance and presented to the client. Written financial plans will be delivered to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

An annual Financial Planning Service Agreement:

Over the course of a twelve (12) month period, we gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client and prepare an initial written financial analysis. We will update the analysis periodically as requested by the client. In addition, we provide consultation services throughout the course of the agreement upon the client's request. As appropriate, we may make recommendations to the client throughout the engagement based on the criteria above.

Should the client choose to implement the recommendations made, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan or investment recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

The client and the Adviser Representative will collectively agree to the scope and depth of each annual financial planning service engagement in advance. In addition, all fees, deliverables and timeline will be determined in advance of signing the agreements.

Additional costs and conflicts of interest when implementing the Plan or Agreement

Should the client elect to work with the Crown adviser to implement some or all of the recommendations offered in the Plan or Agreement, there will be additional costs to execute the advice. These costs could be in the form of advisory fees, commissions, and/or other transaction or investment-related expenses that will vary depending upon the type of investment(s) selected, and whether your dually-licensed Adviser is acting in the capacity of Adviser or Registered Representative. Clients should review the prospectus accompanying the selected investments to better understand these costs. In the case of assets held in a brokerage or managed account, they should also review the custodian's pricing schedule. These disclosure documents are available from your Adviser.

Investment products vary widely in their costs, objectives and features. Because of this wide selection, your Crown Adviser will be faced with conflicts of interest if one investment product generates more compensation than a competing product. Nonetheless, Advisory Associates have a fiduciary duty to select the best option for the client, to eliminate or mitigate conflicts of interest when possible, and to disclose the conflict if mitigation options are not available. Associates are trained to discuss and offer the account types and investment types that appear to be most suitable for a client's individual situation based on the information obtained from the client.

Investment Supervisory Services

Crown Heritage Program (Wrap Fee or Non-Wrap Managed Account Program Options)

The Heritage Program, through the Advisory Associate, will provide clients with various monitoring, supervision, consolidated reporting, and periodic recommendation services. The services are customized for each client to meet their personal investment goals and objectives.

Advisory Associate will gather personal financial data from the client based on personal discussions in which goals and objectives are established. The Advisory Associate will assist a client in determining the suitability of the Program and assist Client in setting appropriate investment objectives and selection of a Wrap or non-Wrap account. Advisory Associate will maintain regular communications with Client in order to determine any change in Client's goals and objectives. Each Advisory Associate chooses his or her research methods and investment strategies, and will operate according to his or her individual investment management philosophy. Selection and use of available research reports and analytical tools, or other resources will be determined by the Advisory Associate.

Based upon the investment objectives and risk tolerances of the client, Advisory Associate will assist the client in the selection of a portfolio, initiate the steps necessary, including receipt of investment funds, to open client's Heritage account and to initiate purchases and sales of various asset classes which will be funded by investments chosen by the client from a list of investments approved for use by Crown. The client will authorize Crown to purchase and sell on a non-discretionary or discretionary basis: mutual funds, equities, fixed income and other investments approved by client and Crown pursuant to investment objectives chosen by the client. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. We will manage individual portfolios on a non-discretionary or discretionary basis, as directed by the client.

Crown Heritage Adviser Advantage Wrap Programs (Wrap Fee Program)

The Crown Heritage Adviser Advantage Wrap Program consists of three distinct programs; (1.) The Crown Heritage Adviser Advantage Model Management Program, (2.) The Crown Heritage Adviser Advantage Wrap Strategists Program and (3.) the Crown Heritage Adviser Advantage Separate Accounts Program (hereafter collectively referred to as "the Heritage Adviser Advantage Wrap Program").

The Crown Heritage Adviser Advantage Model Management Program: The Heritage Adviser Model Management Program is a versatile asset management service offered by Crown in which clients pay an asset-based advisory fee for individualized portfolio management services and the execution of transactions. The Adviser Advantage Model Management Program is a wrap fee program sponsored and managed by Crown. Crown and its Advisory Associates may participate as a manager(s) or sub-advisers in the Adviser Advantage Model Management Program.

Through the Adviser Advantage Model Management Program, Crown provides continuous advice regarding the investment of client funds based on the individual needs of the client. The Adviser Advantage Model Management Program accounts are managed in the same manner as the other investment supervisory services offered by Crown. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity

needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

We will manage Adviser Advantage Model Management Program accounts on a non-discretionary basis, generally. Thus, we will contact and obtain the client's approval prior to the investment of the assets in a client's account. Under certain circumstances Crown and its Advisory Associates may manage Adviser Advantage Model Management Program accounts on a discretionary basis. Portfolio supervision is guided by the stated objectives of the client (e.g., growth, income, growth and income, etc.), with account management influenced by account type (e.g., IRA, Roth, Community Property, etc.).

Crown will create a portfolio consisting of one or more of the following: load or load-waived mutual funds, variable products, stocks, bonds, commercial paper, money market shares, CDs, exchange traded funds ("ETF") and other investment products. Crown will recommend an allocation of assets among various investments taking into consideration the overall management style selected by the client. Portfolio weighting between securities and market sectors will be determined by each client's individual needs and circumstances. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

The Crown Heritage Adviser Advantage Wrap Strategists Program: With the Adviser Advantage Wrap Strategist program investors can select from a list of Third Party Asset Managers that offer individual investors actively managed portfolios comprised of either mutual funds or exchange-traded funds. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

- Access to actively managed investment strategies
- An objective, unbiased investment process
- Ongoing portfolio management

The Crown Heritage Adviser Advantage Separate Accounts Program: The Adviser Advantage Separate Accounts program provides individual investors with direct access to global investment managers, many of whom were once available exclusively to large institutional investors. With a separately managed account, client will retain direct ownership of the securities in the portfolio. This allows for greater flexibility, more control and possible tax advantages over other investment vehicles.

- Professional asset management with access to the knowledge and expertise of respected institutional asset managers. If accessed directly, many of these firms are only available for accounts of \$25 million or more.
- Clients can instruct the portfolio managers to make minor adjustments to the portfolio to fit a client's needs. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.
- Tax efficiency management of your account (i.e. since each security transaction has a separate cost basis, capital gains and losses can be recognized as necessary to mitigate the impact of taxes).

Crown and its Advisory Associates receive a portion of the wrap fee associated with the Crown Heritage Adviser Advantage Wrap Programs. Clients should refer to the Wrap Fee Program Brochure

(Form ADV Part 2A, Appendix 1) for these programs for more detailed information about the services offered in the programs.

The Crown Sterling Adviser Program (Wrap and Non-Wrap Managed Account Options)

The Crown Sterling Adviser Wrap Fee Program (“Sterling Program”) is a versatile portfolio management platform sponsored and offered by Crown. The Sterling Program is designed to offer clients a diversified, long-term approach to their personal investment goals and objectives through asset allocation, portfolio monitoring, consolidated reporting, and, most importantly, individualized portfolio management. It allows clients to invest in no-load or load-waived mutual funds, variable products, stocks, bonds, commercial paper, money market shares, CDs and exchange traded funds, according to the investor's needs, goals, objectives and preferences.

Clients considering participation in the Sterling Program will receive an initial consultation with a Crown Advisory Associate to determine the client's financial situation including investment history, goals and objectives, and special interests or concerns. Based on this consultation and client account documents, the client and the Crown Advisory Associate will select a wrap or non-wrap account and design a portfolio using appropriate investments intended to meet the client's long-term goals. Accounts will be rebalanced to ensure they stay within the client's established allocation. The Crown Advisory Associate will review the strategy periodically, and may make changes in the asset allocation among securities as needed. It is imperative, therefore, for the client to contact the Crown Advisory Associate if the client's financial situation or objectives change.

Sterling Advisory Accounts will be custodied at Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab)

Services: Affiliated and unaffiliated service providers may develop asset allocation models. The Crown Advisory Associate may also develop asset allocation models or use others from outside independent sources. Each Advisory Associate develops his or her own methods of analysis, sources of information, and investment strategies. As such, recommendations by Advisory Associate and individual investment portfolios will differ.

The Advisory Associate will manage accounts on an ongoing basis and will review accounts at least annually with the client or upon the client's request. The purpose of the review is to determine whether there have been any changes in the client's financial situation and investment goals and to determine whether any changes in the client's investment portfolio are appropriate. The Advisory Associate also reviews the client's asset mix and makes recommendations regarding changes to the portfolio. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Clients will receive monthly brokerage statements, except for months in which no account activity has occurred, and quarterly statements and performance reports. Clients may call at any time during normal business hours to speak directly with their Advisory Associate or the Crown home office about their account, financial situation, or investment needs.

Advisory Referral Services

Crown acts as a solicitor on behalf of various independent registered investment advisers, also known as Third Party Asset Managers. Based on a client's individual circumstances and needs, we will assist the client in determining which independent adviser's portfolio management services are appropriate for that client. Factors considered in making this determination, including account size, risk tolerance, and a

client's investment experience, are discussed during our consultation with the client. The Third Party Asset Manager will have discretion to select and manage the investments in the portfolio pursuant to its stated objectives. Clients will be able to impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Crown will meet with the client on a regular basis, or as determined by the client, to review the account. We will, when needed, suggest changes in the client's portfolio ("rebalancing"), to more effectively address each client's goals. The client may then instruct the independent adviser to make any or all of the changes we recommended. These recommendations are our own, and are neither recommended nor approved by any independent advisers.

Any rebalancing of the portfolio is done with the client's approval, unless the client has specified in their advisory services contract to have the portfolio managed on a discretionary basis, and will be reviewed and implemented by the independent investment adviser. At the time of conducting the advisory solicitation, Crown will ensure that all federal and/or state specific requirements governing solicitation activities are met.

Item 5: Fees and Compensation

Financial Planning Services Fees

Crown's Financial Planning fees are determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are negotiated and agreed upon prior to entering into a contract with any client.

Hourly Financial Planning Consultation Services: Our Financial Planning fees are calculated and charged on an hourly basis, ranging from \$25 to \$500 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship. The total fees may be higher than estimated. Fees for hourly financial planning consultation services will be billed to the client after the services have been rendered and will be payable upon receipt of the bill. Any financial planning consultation services terminate upon the delivery of such services to client.

A Written Financial Plan: The fee for a financial plan will vary depending upon the nature of the services being provided and the complexity of each client's circumstances. The fees for this service generally range from \$1,000 to \$25,000 and will vary based on the depth and scope of the plan and the experience of the Advisory Associate. The fee will be stated and agreed upon in advance. Fees for a financial plan will be payable half in advance and the balance upon completion of the services. A client will have a period of five (5) business days from the date of the signing the engagement agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, a client engagement agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of an engagement, any prepaid, unearned fees will be promptly refunded. Clients will be liable for any fees earned but not paid at the time of cancellation. The client engagement agreement will terminate upon delivery of the written financial plan.

An Annual Financial Planning Service Agreement: An Annual financial planning service agreement includes a financial analysis, any updates in the financial analysis as requested by the client and consultation services upon the client's request during the year's period. The fee for the annual financial planning agreement will be charged as a flat dollar amount and generally range from \$2,500 to \$20,000 annually. Fee will not be based upon capital gains or capital appreciation of a client's account. The

annual fee will be stated and agreed upon in advance. Fees for an annual financial planning service agreement will be payable quarterly in advance. A client will have a period of five (5) business days from the date of the signing the service agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, a service agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of a service agreement, any prepaid, unearned fees will be promptly refunded. Clients will be liable for any fees earned but not paid at the time of cancellation. The client service agreement will terminate one (1) year from the execution of the service agreement.

Investment Supervisory Services Fees

Crown Heritage Program Fees (Wrap or Non-Wrap Managed Account Program)

As the Crown Heritage Adviser360 is a wrap fee program, transactions are effected "net" (i.e., without commission), and a portion of the wrap fee is generally considered to be in lieu of commission. Therefore, Crown does not negotiate commission rates with broker dealers. Clients pay a single fee for advisory, brokerage and custodial services. However, there are other fees the client may pay in addition to the wrap fee, including fees and expenses charged by mutual funds and ETFs to their shareholders, mark-ups, mark-downs, spreads paid to market makers, IRA maintenance fees, exchange fees, transfer taxes or certain administrative fees for wire transfers and certificate issues. (Clients can also select a non-Wrap account option, which will incur additional transaction costs, such as ticket charges and confirmation charges.) You should review the mutual funds' prospectus and/or the custodian's pricing schedule, available from your Adviser, to understand these set-apart fees.

Clients will be charged advisory fees based on an annualized percentage of the value of the assets in the Crown Heritage account. These fees may be negotiable at the sole discretion of management.

Clients will pay a maximum advisory fee according to the following schedule:

Heritage Program Fee Schedule

	<u>Value of Account Assets</u>	<u>Annual Fee</u>
First	\$500,000	2.00%
Next	\$500,000	1.50%
Next	\$1,000,000	1.00%

For example, if a client's account is valued at \$1,500,000, the annual fee will be calculated as follows: $(\$500,000 \times 2.00\%) + (\$500,000 \times 1.50\%) + (\$500,000 \times 1.00\%)$.

Billing

The fee will be assessed and billed quarterly in advance if the client selects the non-wrap action. The Adviser360 Wrap account option is billed monthly in arrears.

The fee for any given calendar quarter is debited by the custodian from the client's account at the beginning of the calendar quarter, based on the total portfolio value as of the last business day of the preceding calendar quarter. The fee for the Adviser360 option is debited by the custodian from the client's account on the first or second business day of each calendar month, based on the total portfolio value as of the last business day of the preceding calendar month.

The first fee will be billed upon execution of the Agreement and will be based upon the opening value

of the account. If the Agreement is executed at any time other than the first day of a calendar quarter, the payment will be prorated. The first fee for the Adviser360 option will be billed on the first or second business day of the month beginning after execution of the agreement. If the Agreement is executed at any time other than the first day of a calendar month, the payment will be prorated.

A client will have a period of five (5) business days from the date of the signing the advisory service agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, an advisory service agreement may be canceled at any time, by either party, for any reason upon receipt of thirty (30) days written notice. Upon termination of an advisory service agreement, any prepaid, unearned fees will be promptly refunded.

Alternatively, clients may elect to pay all advisory fees described above from a Pershing brokerage account other than their Crown Heritage account. Direct payments will be calculated in the same manner and billed on the same time frame.

The amount of compensation received by Crown and its Adviser Representatives as a result of a client's participation in the Crown Heritage program may be more than what Crown and its Adviser Representatives would receive if the client paid separately for investment advice, brokerage and other services. Therefore, Crown and its Adviser Representatives may have a financial incentive to recommend the Crown Heritage program over other programs or services. In evaluating the relative cost of the Crown Heritage program, clients should consider the following: the amount of the portfolio activity in the client's account, the size of a client's account, the nature of the investments to be managed, the broker dealer's usual commission rates, custodial expenses, and other factors.

A minimum of \$25,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Crown may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Clients should refer to the Wrap Fee Program Brochure (Form ADV Part 2A Appendix 1) for the Crown Heritage program for more detailed information on this wrap fee arrangement and the fees charged.

Crown Heritage Adviser Advantage Program Fees (Wrap Fee Program)

As the Crown Heritage Adviser Advantage is a wrap fee program, transactions are effected "net" (i.e., without commission), and a portion of the wrap fee is generally considered to be in lieu of commission. Therefore, Crown does not negotiate commission rates with broker dealers. Clients pay a single fee for advisory, brokerage and custodial services. However, there are other fees the client may pay in addition to the wrap fee, including fees and expenses charged by mutual funds and ETFs to their shareholders, mark-ups, mark-downs, spreads paid to market makers, IRA maintenance fees, exchange fees, transfer taxes or certain administrative fees for wire transfers and certificate issues. You should review the custodian's pricing schedule, available from your advisor, to understand these set-apart fees.

Clients will be charged advisory fees based on an annualized percentage of the value of the assets in the Adviser Advantage account. These fees may be negotiable at the sole discretion of management.

Clients will pay a maximum advisory fee according to the following schedule:

Heritage Program Fee Schedule

<u>Value of Account Assets</u>		<u>Annual Fee</u>
First	\$500,000	2.00%

Next	\$500,000	1.50%
Next	\$1,000,000	1.00%

For example, if a client's account is valued at \$1,500,000, the annual fee will be calculated as follows: $(\$500,000 \times 2.00\%) + (\$500,000 \times 1.50\%) + (\$500,000 \times 1.00\%)$.

The fee will be assessed and billed quarterly in advance. The fee for any given calendar quarter is debited by the custodian from the client's account at the beginning of the calendar quarter, based on the total portfolio value as of the last business day of the preceding calendar quarter.

The first fee will be billed upon execution of the Agreement and will be based upon the opening value of the account. If the Agreement is executed at any time other than the first day of a calendar quarter, the payment will be prorated.

A client will have a period of five (5) business days from the date of the signing the advisory service agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, a advisory service agreement may be canceled at any time, by either party, for any reason upon receipt of thirty (30) days written notice. Upon termination of an advisory service agreement, any prepaid, unearned fees will be promptly refunded.

Alternatively, clients may elect to pay all advisory fees described above from a National Financial brokerage account other than their Adviser Advantage account. Direct payments will be calculated in the same manner and billed on the same time frame.

The amount of compensation received by Crown and its Adviser Representatives as a result of a client's participation in the Adviser Advantage program may be more than what Crown and its Adviser Representatives would receive if the client paid separately for investment advice, brokerage and other services. Therefore, Crown and its Adviser Representatives may have a financial incentive to recommend the Adviser Advantage program over other programs or services. In evaluating the relative cost of the Adviser Advantage program, clients should consider the following: the amount of the portfolio activity in the client's account, the size of a client's account, the nature of the investments to be managed, the broker dealer's usual commission rates, custodial expenses, and other factors.

A minimum of \$25,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Crown may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Clients should refer to the Wrap Fee Program Brochure (Form ADV Part 2A Appendix 1) for the Crown Heritage programs for more detailed information on this wrap fee arrangement and the fees charged.

Crown Sterling Adviser Program (Wrap or non-Wrap Managed Account Program)

As the Sterling Program is a wrap fee program, transactions are effected "net" (i.e., without commission), and a portion of the wrap fee is generally considered to be in lieu of commission. Therefore, Crown does not negotiate commission rates with broker dealers. Clients pay a single fee for advisory, brokerage and custodial services. However, there are other fees the client may pay in addition to the wrap fee, including fees and expenses charged by mutual funds and ETFs to their shareholders, mark-ups, mark-downs, spreads paid to market makers, IRA maintenance fees, exchange fees, transfer taxes or certain administrative fees for wire transfers and certificate issues. (Clients can also select a non-wrap account option, which will incur additional transaction costs.) You should review the

custodian's pricing schedule, available from your advisor, to understand these set-apart fees.

Crown Sterling Adviser Wrap Fee Schedule

Value of Account Assets		Annual Fee
First	\$500,000	2.00%
Next	\$500,000	1.50%
Next	\$1,000,000	1.00%
Over	\$1,999,999	Negotiable

For example, if a client's account is valued at \$1,500,000, the annual fee will be calculated as follows: $(\$500,000 \times 2.00\%) + (\$500,000 \times 1.50\%) + (\$500,000 \times 1.00\%)$.

The fee will be assessed and billed quarterly in advance. The fee for any given calendar quarter is debited by the custodian from the client's account at the beginning of the calendar quarter, based on the total portfolio value as of the last business day of the preceding calendar quarter.

The first fee will be billed upon execution of the Agreement and will be based upon the opening value of the account. If the Agreement is executed at any time other than the first day of a calendar quarter, the payment will be prorated.

A client will have a period of five (5) business days from the date of the signing the advisory service agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, a advisory service agreement may be canceled at any time, by either party, for any reason upon receipt of thirty (30) days written notice. Upon termination of an advisory service agreement, any prepaid, unearned fees will be promptly refunded.

Alternatively, clients may elect to pay all advisory fees described above from a brokerage account other than their Crown Sterling Adviser account. Direct payments will be calculated in the same manner and billed on the same time frame.

The amount of compensation received by Crown and its Adviser Representatives as a result of a client's participation in the Crown Sterling Adviser program may be more than what Crown and its Adviser Representatives would receive if the client paid separately for investment advice, brokerage and other services. Therefore, Crown and its Adviser Representatives may have a financial incentive to recommend the Crown Sterling Adviser program over other advisory programs or services. In evaluating the relative cost of the Crown Sterling Adviser program, clients should consider the following: the amount of the portfolio activity in the client's account, the size of a client's account, the nature of the investments to be managed, the broker dealer's usual commission rates, custodial expenses, and other factors.

A minimum of \$25,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Crown may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Clients should refer to the Wrap Fee Program Brochure (Form ADV Part 2A Appendix 2) for the Crown Sterling Adviser program for more detailed information on this wrap fee arrangement and the fees charged.

Advisory Referral Services

We do not enter into an advisory agreement with any client nor do we charge a fee to any client for referrals to another Adviser(s). Our fees for such referrals are paid by the referred Adviser(s) who

shares with our firm a percentage of the fees received from the client. Client advisory fees are not increased in any way as a result of our referral of any clients to another Adviser(s). We typically receive 50% of the advisory management fee paid by the client to that Adviser.

Clients will receive a separate disclosure document describing the fee paid to us by such Adviser(s). Clients should refer to that Adviser's disclosure document for information regarding its fees, billing practices, minimum required investments and termination of advisory agreements.

Other Charges and Transaction Costs

12(b)-1 Fees

Mutual funds offer a variety of share classes, which hold the same portfolio securities but differ in total cost due to the imposition of various recurring fees such as 12(b)-1 fees. These recurring fees, which are included in a mutual fund's total annual fund operating expenses, vary by share class, but typically range from 25 to 100 basis points (equal to 0.25% to 1.00%). These fees are deducted from the mutual fund's assets on an ongoing basis and are paid to the Clearing Broker that distributes or services the shares. The greater the fees, the greater the mutual fund share class's overall expense ratio. The ability to earn additional compensation by recommending a higher cost share class to clients creates a conflict of interest.

To mitigate this conflict of interest, Crown will not use share classes that charge 12(b)-1 fees but rather seek to purchase non-12(b)-1 share classes. These mutual funds share classes that do not charge 12b-1 fees have lower expense ratios than other share classes for the same fund (e.g. advisory share class or institutional shares (collectively, ("advisory shares")). An investor who holds advisory shares of a mutual fund will usually pay lower total annual fund operating expenses over time – and thus will generally earn higher returns – than one who holds a share class of the same fund that charges 12(b)-1 fees. Therefore, if a mutual fund offers an advisory share class, and an investor is eligible to own it, it is often, though not always, better for the investor to purchase or hold the advisory shares.

In the event an advisory share class is available, and if a non- advisory share class with higher expenses is purchased, Crown will cancel the transaction and repurchase advisory shares as of the original purchase date. In the event the transaction cannot be cancelled, or a non-advisory share class is not available for the mutual fund purchased, Crown will rebate your proportionate share of those fees to your account. However, if the best available share class charges such fees and those fees are retained by our Clearing Brokers, then clients will not receive a rebate and consequently their investment returns will be adversely impacted by payment of such fees. At all times, Crown will endeavor to purchase the appropriate share class for its clients. To make sure Crown adequately complies with this mitigation process, we will actively supervise and conduct testing to ensure we are executing our responsibilities correctly.

Periodically portfolios containing non-advisory shares are transferred to Crown from an existing non-affiliated broker/dealer. When it is in the best interest of the client, Crown will convert those mutual fund shares that contain a higher recurring fee to the most appropriate share class.

Sweep Accounts

When you establish an account with Crown, we will select a money market mutual fund in which any outstanding cash in your account will be automatically invested. This is known as a Sweep Account. A

Sweep Account is a money market mutual fund or bank account used by brokerages to hold uninvested cash (e.g., incoming cash deposits, dividends, or certain investment returns) until the investor or its adviser decides how to invest the money. Money market funds generally invest in short term, highly liquid securities with limited credit risk, and are frequently used as cash Sweep Account options. The investment yields and expense ratio of a money market fund will differ from fund to fund. Some Sweep Account money market mutual funds offered through the Clearing Broker utilized by Crown charge recurring fees such as 12(b)-1 and shareholding services fees. The higher the recurring fees paid by these money market mutual funds, the lower the yield on cash in your account.

The Clearing Brokers used by Crown have agreed to share with Crown a portion of the revenue received in connection with certain money market funds offered through the Sweep Accounts. Under this arrangement, the Clearing Broker provides Crown with a list of many money market funds as Sweep Account Options for Crown's advisory clients. The amount of revenue sharing Crown receives varies depending on the money market fund Crown selects for advisory clients. This revenue sharing creates a conflict of interest as the increased revenue generated from the default money market funds is paid to Crown. Additionally, we have an incentive to invest your assets or to recommend that you purchase or hold these mutual funds that pay fees to Crown over other funds that do not pay these fees.

To mitigate this conflict, Crown will not use money market mutual fund share classes that include revenue sharing. If there is a non-revenue sharing share class available and if a revenue sharing share class is used in the future, any such fees collected by Crown will be rebated to clients.

Non-Transaction Fee (NTF) Programs:

Clearing Brokers used by Crown also offer no-transaction fee ("NTF") mutual fund programs in which the transaction charge is waived for the purchase and sale of mutual funds participating in the program. To participate in the program, certain mutual funds compensate the Clearing Broker, as applicable, which in turn pays a percentage of that compensation to Crown based on the amount of assets invested in those funds.

The mutual funds offered by these NTF programs generally have higher expense ratios than other mutual funds, including (in many instances) lower-cost share classes of the same funds. As a result, when Crown's advisory clients invest in mutual funds on the NTF platform, the Clearing Brokers share with Crown a certain percentage of the NTF revenue that the Clearing Brokers received from those mutual funds.

The NTF revenue are expenses of the mutual funds, and thus, advisory clients investing in those funds indirectly pay the NTF revenue. Over time, the client will pay higher costs for funds in this program than they would for non-NTF funds subject to transaction charges. This revenue sharing creates a conflict of interest as the increased revenue generated from the NTF programs is paid to Crown. Additionally, Crown has an incentive to invest your assets or to recommend that you purchase or hold these mutual funds that pay fees to Crown over other funds that do not pay these fees.

Moving forward, to mitigate the compensation conflict Crown will not participate in any revenue sharing associated with an NTF program. To further mitigate the mutual fund selection issue, when a higher-cost share class is purchased where a lower-cost share class is available, Crown, if appropriate, will cancel the transaction and repurchase the lower-cost share class as of the original purchase date. If the transaction cannot be cancelled, or the share class purchased is the best available for the client,

Crown will not rebate those fees to your account. To make sure Crown adequately complies with this mitigation process, we will actively supervise and conduct testing to ensure we are executing our responsibilities correctly.

Commission Compensation

Management personnel and Advisory Associates of our firm are licensed as registered representatives of our broker-dealer. In their separate capacity(ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12(b)-1 fees or other sales-related forms of compensation). In so doing, these individuals will earn separate compensation in the form of commissions and/or 12(b)-1 fees (trail fees earned from the sale of mutual funds and/or ETFs). These commission fees represent more than half of Crown's annual revenue. The total amount of these commissions will not exceed what is considered fair and reasonable in accordance with the FINRA Rules of Fair Practice.

This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Associates are not permitted to execute transactions in fee-based managed accounts that result in commissions being paid to them as a dually-licensed registered representative. Commission-based transactions are only permitted in a traditional brokerage account or directly with the product issuer. Also, as elaborated in the next section, we have initiated steps to eliminate and/or mitigate the specific conflict presented by the purchase of mutual funds paying 12(b)-1 trail commissions to the Adviser (in his capacity as a registered representative) for the fund's inclusion in a managed portfolio.

However, should the client elect to invest in a fee-based managed account, there are other costs the client will pay in addition to the Adviser's managed account fee, including fees and expenses charged by mutual funds and ETFs to their shareholders, mark-ups, mark-downs, spreads paid to market makers, IRA maintenance fees, exchange fees, transfer taxes or certain administrative fees for wire transfers and certificate issues. These fees are not shared with the Adviser in his capacity as a registered representative, thus Crown does not characterize these fees as "commissions". Clients should review the prospectus accompanying the selected investments to better understand these fees. In the case of assets held in a brokerage account, they should also review the custodian's pricing schedule.

Investment products vary widely in their costs, objectives and features. Because of this wide selection, your Crown Adviser will be faced with conflicts of interest to select a product based on compensation rather than the client's needs, if one investment product generates more compensation than a competing product. Advisory Associates have a fiduciary duty to select the best option for the client, to eliminate or mitigate conflicts of interest when possible, and to disclose the conflict if mitigation options are not available. Advisers are trained to discuss and offer the account types and investment types that appear to be most suitable for a client's individual situation.

Additional Compensation Received by Crown or Advisory Associates

In addition, Management personnel and Advisory Associates who are properly licensed also sell insurance, real estate, prepare income tax returns, and provide accounting services. Some of Crown's Advisory Associates may also be licensed as lawyers, and as lawyers, may provide legal advice. As such, these individuals are able to receive separate, yet customary compensation (i.e. commissions or

fees) resulting from implementing product transactions or providing services on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client. Certain Advisory Associates who are appropriately licensed may receive commissions upon the sale of life or disability insurance products recommended to clients. These commissions can range from less than 55% to more than 100% of the first year premium.

While Crown and Advisory Associates endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

In some instances, depending on the size of the transaction, advisory fees will be discounted, at our discretion, for commissions earned. Commissions will not be credited towards future advisory fees.

Notwithstanding the above, advisory fees will always be offset for commissions earned on securities transactions executed in pension, profit-sharing, 401k, IRA or other client accounts where to do otherwise would constitute a prohibited transaction under the provisions of ERISA or the Internal Revenue Code.

Mutual funds presented by Crown's Advisory Associates are offered in multiple share classes for different objectives. All of a Fund's share classes represent an ownership interest in the same securities portfolio. Some share classes pay a 12(b)-1 fee to the custodian (the institution where the fund is held in the client's name in the managed account) for distribution expenses, marketing expenses and shareholder services. The custodian may retain this 12(b)-1 payment or share it with Crown as the introducing broker-dealer, which in turn may share it with the Advisory Associate in their capacity as a dually-licensed Registered Representative of Crown's broker-dealer. (In most cases, for funds of this description, these distribution expenses have been shared with Crown and RRs.) Shares that pay a 12(b)-1 fee often have higher overall cost than shares that do not. This creates a conflict of interest for the AA to recommend mutual funds that pay a 12(b)-1 fee, when a lower cost "Advisor" or "Institutional" share is often available (though many mutual fund families do not offer these shares, or may only make them available to select distribution partners under special contracts not offered to Crown, or with high account minimums). As of December 2019, Crown has initiated an effort to mitigate this conflict by crediting any 12(b)-1 fees back to the client's account, meaning that neither Crown nor any AA (in his capacity as a broker-dealer RR) is now compensated with 12(b)-1 fees. As of December 2019, in the interest of simplicity and further transparency, Crown has also initiated an effort to convert holdings in shares that pay 12(b)-1 fees to the lower cost share class, if available and known to Crown. There is no cost to clients nor a taxable event, and clients will not be notified prior to conversion. Until conversion is completed for all relevant mutual funds, or in cases where a lower cost share is not offered, Crown will continue to credit 12(b)-1 fees back to the client account.

Crown offers mutual funds from Pershing's Fundvest mutual fund platform, from Fidelity's FundsNetwork mutual fund platform, and from Charles Schwab's OneSource mutual fund platform, which feature a collection of no-transaction-fee (NTF) products. This means no commissions, no front-end sales loads, and no deferred sales charges. If you and your Advisory Associate have chosen a "wrap fee" account, wherein the Advisory Associate must choose to either (1) pay transaction costs from his portion of the wrap fee for mutual funds that do not participate in these platforms, or (2) choose NTF products where he will not pay transaction costs from his portion of the wrap fee, he will have a conflict of interest in fund selection. Nonetheless, Advisory Associates have a fiduciary duty to select the best

option for the client, to eliminate or mitigate conflicts of interest when possible, and to disclose them if other options are not available. Advisers are trained to discuss and offer the account types that are expected to be most suitable for a client's individual situation.

When Crown meets specified asset minimums on the NTF platforms, we receive revenue-sharing on some Fundvest or FundsNetwork assets. Crown clients do not pay revenue-sharing fees directly, but the payments are often deducted from the fund's total assets and thus impact the fund's investment returns. These fees compensate Crown for our shareholder services, administration, distribution, technology and education of AA/RRs. Crown does not maintain any "preferred product" mutual fund list for revenue-sharing NTF funds, and AAs receive no direct compensation from revenue-sharing, but the indirect educational or technology benefits to the AA could be construed as a potential conflict of interest. Crown also receives 12(b)-1 payments for some NTF purchases on Fundvest and FundsNetwork, but as of December 2019 has commenced crediting all 12(b)-1 fees back to client accounts, as previously discussed.

Pershing and Fidelity share revenue from their money market mutual funds and FDIC-insured bank sweep accounts with Crown for our shareholder services, administration, distribution and technology related to these accounts. Crown clients do not pay revenue-sharing fees directly, but the payments are often deducted from the fund's total assets and thus impact the fund's investment returns or interest payments. Crown does not require AAs to use these revenue-sharing funds or accounts, and AAs receive no direct compensation from revenue-sharing, but the indirect benefit to the AA's firm could be construed as a potential conflict of interest.

Crown receives payments from several third party money managers, variable annuity distributors, and alternative investments distributors for our shareholder services, administration, distribution and education of AA/RRs. These distributors collaborate with us in marketing efforts, such as paying Crown to attend and participate at our industry educational events. Crown does not maintain any "preferred manager" list for products that offer marketing assistance, and AA/RRs receive no direct compensation from these payments, but the indirect educational benefit to them could be construed as a potential conflict of interest.

Crown makes some alternative investments, such as REITs, available in managed or wrap accounts only under certain conditions. However, owing to the additional operational, servicing, reporting, account maintenance and ongoing research necessitated by these non-traded alternative products, Crown generally only offers share classes that pay Crown a service fee, usually up to .25%, when a less expensive share class is sometimes available. Crown clients do not pay these service fees directly, but the payments are often deducted from the offering's total assets and thus impact the fund's investment returns. These fees are not shared with the Advisory Associate, thus they have no direct conflict of interest, but Crown's decision not to offer a less expensive share due to operational costs creates a firm-level conflict.

Crown receives transition credit payments from Pershing for accounts transferred onto the Pershing clearing platform if the account was previously held at another clearing firm. These payments are consideration for costs that are often incurred by Crown when transferring or terminating these accounts. These payments are not shared with Advisory Associates, thus they have no direct conflict of interest, but the additional compensation received by Crown creates a firm-level conflict of interest in that Crown has an incentive to encourage its Advisers to open accounts at Pershing rather than a custodian who does not offer these incentives.

General Information

Limited Negotiability of Advisory Fees: Although Crown has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Mutual Fund Fees: All fees paid to Crown for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client will pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may will be executed without commission charge in a wrap fee arrangement (though there will be other clearing firm expenses that we've already discussed in Item 5). In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Conflicts of Interest with Respect to Wrap Accounts: If you select a Wrap program as your account type, it means that your Advisory Associate has decided from your consultations that an all-inclusive model is in your best interest. For some assets, depending on the custodian's pricing model, this requires the Advisory Associate to pay for transaction-based charges out of their fee, instead of passing them through to the client. This would create a conflict of interest for the Advisory Associate should they have to choose between a No Transaction Fee ("NTF") mutual fund, which has no transaction cost, and a fund that is not included in the NTF platform. Also, if your Adviser uses funds that are not on the NTF platform, or other assets with a transaction cost, they will also have a conflict of interest in that they will be incentivized to make less trades. If you decide on an account type that is not a "Wrap," the transaction fees will be passed through to you, eliminating these specific conflicts, but potentially costing you more in transaction-based charges if you trade often.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to Crown's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: Crown is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Crown may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12(b)-1 fees; commissions or 12(b)-1 fees would be rebated back to the client's account, if the fund company did not have "Advisor" or "Institutional" shares available. As described above, Crown has also initiated an effort to convert holdings in shares that pay 12(b)-1 fees to the lower cost share class, if available and known to Crown. There is no cost to clients nor a taxable event, and clients will not be notified prior to conversion. Until conversion is completed for all relevant mutual funds, or in cases where a lower cost share is not offered, Crown will continue to credit 12(b)-1 fees back to the client account.

Advisory Fees in General: Clients should note that similar advisory services will be available from other registered (or unregistered) investment advisers for similar or lower or higher fees. Also, as previously mentioned, clients are under no obligation to purchase investment products or implement recommendations through Crown. The choice of whether to work with Crown or other unaffiliated brokers or agents is at the client's discretion.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Item 6: Performance-Based Fees and Side-By-Side Management

Crown does not charge performance-based fees.

Item 7: Types of Clients

Crown provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest

over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Third-Party Money Manager Analysis. We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investment Strategies

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Risks in a short-term purchase strategy could include increased brokerage costs (depending on your account type) which would diminish gains or increase losses, and increased taxes from realized short term capital gains. Another risk is selling high performing securities to capture some gains, but missing out on the additional appreciation of a consistently performing asset had we used a long-term strategy.

Risk of Loss

Securities investments are not guaranteed and clients may lose money on their investments, including their principal. Past performance is no guarantee of future results. We ask that clients work with us to help us understand their tolerance for risk. Depending on the type of securities selected, some additional risk factors (below) could become relevant, and should be discussed with the Advisory Associate.

Additional Risk Factors

Market risk: Risk that can't be mitigated through diversification, because an event of great magnitude (such as recession, political turmoil, natural disaster, terrorist attack) has occurred that impacts the markets systemically.

Inflation Risk: Risk that an investor may lose some of their purchasing power if the investment does not outpace inflation. This can be an issue for "safe-haven" instruments like money market funds or treasury bills.

Equity Risk: Risk that shares of stock, which have no guaranteed returns, could decline in value based on low demand, business challenges or broader economic factors. Also, if a company becomes insolvent for whatever reason, common stockholders have a low priority claim on remaining assets after secured credit holders, subordinated bondholders and preferred stockholders.

Liquidity Risk: Risk of loss from inability to liquidate shares promptly at a desirable price. Some investments, such as interval funds, have limited quarterly liquidity windows, while other investments might be in low demand. Alternative investments, such as non-traded REITs, are often entirely illiquid for 5 years or more until a single liquidity event occurs.

Interest Rate Risk: Risk that interest rates could rise, making a currently-held bond with a lower interest rate less valuable to a prospective buyer because higher rates are readily available.

Longevity Risk: Risk that an investor, especially a retiree, will outlive their investment income.

Currency Risk: Risk that an overseas investment will fluctuate as a result of the exchange rate between the US dollar and the currency of the country where the asset is held.

Time Horizon Risk: Risk that an investor may face an unexpected change to their planned time horizon, such as a disability, job loss, divorce, etc.

Default Risk: Risk that a bond issuer will become insolvent and default on their obligation to make interest payments to debtholders/investors.

Item 9: Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Crown Capital has three disciplinary events relating to our firm that occurred within the last ten years:

The first is an allegation by FINRA that the firm failed to transmit its reportable order events to the order audit trail system during a specific period, and did not provide documentary evidence that it performed the supervisory reviews set forth in its written supervisory procedures concerning OATS. On 6/20/2013, without admitting or denying the allegations, Crown agreed to settle the issue by paying a \$15,000 penalty.

The second is an 8/11/2015 allegation that the firm failed to properly disclose Alaska orders against a representative from 1984 and the representative's website failed to properly disclose that his firm was licensed to sell insurance in products in Oregon, Utah and Washington. This order was entered against Crown Capital Securities and two other non-affiliated entities. The entities agreed to settle the matter for \$12,500 with \$6,250 suspended for a period of five years.

The third is a 6/20/2019 FINRA finding that the firm failed to establish and maintain a supervisory system, including written supervisory procedures, for reviewing and monitoring mutual fund switches reasonably designed to achieve compliance with FINRA suitability requirements. The findings stated that the firm failed to reasonably supervise short-term switches of Class A mutual fund shares conducted by two firm registered representatives. The firm's supervisory system was not reasonably designed to supervise mutual fund switches because it relied solely upon the registered representative to alert the firm of a mutual fund switch. The firm had no supervisory mechanism in place to initiate a review of mutual fund switches in the event a representative failed to complete the mutual fund switch form. As a result, mutual fund switch transactions by the two registered representatives in this matter escaped supervisory scrutiny by the firm. The firm voluntarily paid approximately \$395,000 in restitution to affected customers and without admitting or denying the allegations agreed to a censure and fine of \$75,000.

The fourth is an SEC Order dated 06/24/2021 which alleges breach of fiduciary duty by Crown, a dually registered investment adviser and broker-dealer, in connection with its receipt of third-party compensation from client investments without fully and fairly disclosing its conflicts of interest. Since at least 2014 Crown invested clients in: (1) mutual fund share classes that paid Crown and its Investment Advisory Representatives ("IARs") who were also registered representatives fees pursuant to Rule 12(b)-1 under the Investment Company Act of 1940 ("12(b)-1 Fees"); (2) certain mutual funds that also generated No-Transaction Fee ("NTF") revenue for the firm; and (3) cash sweep products that likewise resulted in Crown receiving revenue sharing. In spite of these financial arrangements, Crown provided no disclosure or inadequate disclosure of the multiple conflicts of interest arising from the firm's receipt of this compensation.

A list of all legal and disciplinary events for Crown and our advisory affiliates are disclosed as required in response to Item 11 of Form ADV, Part 1A, which can be accessed by following the directions provided on the Cover Page of this Firm Brochure.

Item 10: Other Financial Industry Activities and Affiliations

FIRM Registrations:

Crown Capital Securities, L.P. ("Crown"), which is a Registered Investment Adviser, is also a securities broker dealer and provides contract services to licensed securities representatives. As a broker-dealer, Crown provides due diligence and clears selected products which are sold by registered representatives who may also be associated with Crown's registered investment advisory service ("Advisory Associates").

The client of an Advisory Associate may pay both a fee and commission during the development and implementation of a financial plan, if the client chooses to implement the Advisory Associate's recommendations through Crown and the Advisory Associate.

FIRM Affiliations:

Crown is under common ownership and control with the following other financial institutions (referred collectively with Crown as the "Related Companies"):

Consolidated Brokerage Services, Inc.
Jewel Insurance Agency, Inc.
Crown Capital Insurance Agency, LLC

CCIA Insurance Agency of Nevada, Inc.
CCIA Insurance Agency of Alabama, LLC
CCIA Insurance Agency of Washington, LLC

Where appropriate, Crown, its employees and Advisory Associates will recommend the various investment-related and non-investment services of the Related Companies to its advisory clients. The Related Companies and their employees may also recommend the investment advisory services of Crown to their customers. The services provided by the Related Companies are separate and distinct from the advisory services of Crown, and are provided for separate and additional compensation. There may also be arrangements between Crown and these Related Companies where Crown and/or the Related Companies and their employees receive payment in exchange for client leads and referrals.

MANAGEMENT PERSONNEL Registrations:

The principle business of Crown and its executive officers is that of a securities broker-dealer registered with the Financial Industry Regulatory Authority ("FINRA"). In that capacity, Crown, its officers, branch managers and registered representatives, who may also be Advisory Associates, buy and sell securities on behalf of clients. Crown's officers and Advisory Associates spend approximately 80% of their time devoted to their activities as a securities broker dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

ADVISORY ASSOCIATES Registrations:

In addition, Management personnel and Advisory Associates who are properly licensed also sell insurance, real estate, prepare income tax returns, consult on pension and other qualified plans, and provide accounting services. Some of Crown's Advisory Associates may also be licensed as lawyers, and as lawyers, may provide legal advice. As such, these individuals are able to receive separate, yet customary compensation resulting from implementing product transactions or providing services on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

How we handle conflicts of interest

While Crown and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. Please refer to Item 5 for a detailed explanation of these relationships and important disclosures.

We take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our Advisers to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our Advisers or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- we require that our employees provide written notification to Crown of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside business activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our Advisers regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

As previously disclosed, we recommend the services of various registered investment advisers to its clients. In exchange for this recommendation, we receive a referral fee from the selected investment adviser. The fee received by us is typically a percentage of the fee charged by that investment adviser to the referred client. The portion of the advisory fee paid to us does not increase the total advisory fee paid to the selected investment adviser by the client. We do not charge the client any fees for these referrals. We will only recommend advisers that pay us a referral fee.

We are aware of the special considerations required under Rule 206(4)-3 of the Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made and all applicable Federal and State laws will be observed.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our Advisers, including compliance with applicable federal securities laws.

Crown and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's Advisers. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Crown's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all Advisers are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to jfrench@crowncapitalsecurities.com, or by calling us at (714) 5479481.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our Advisers will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing Advisers to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no Adviser may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such Advisers from benefiting from transactions placed on behalf of advisory accounts.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer and/or licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12: Brokerage Practices

Crown does not have any soft-dollar arrangements and does not receive any soft-dollar benefits for directing trades to brokers. We do not request or accept the discretionary authority to determine the broker dealer to be used or the commission rates to be paid by client accounts. Clients must direct Crown as to the broker-dealer/custodian to be used in connection with our advisory services.

Crown receives bundled products and services from its custodians at reduced or zero cost that facilitate Crown's administration of client accounts. For instance, custodian technology helps us provide client account data and performance reporting, facilitate execution of trades, access research and market data, view pricing information, administer fee payments to Advisers from client accounts, maintain required records, etc. Custodians often provide other services, such as training or consulting for Advisory Associates. These services could be seen as a direct benefit to Crown but only an indirect benefit to clients, and some clients may benefit more than others. This is a conflict of interest, in that we have an incentive to use custodians who provide these holistic services rather than basing our determination solely on brokerage costs. We discuss this further in Item 5 (along with other compensation received from custodian partnerships).

Brokerage Practices for Financial Planning Services

As disclosed in Item 10, Crown is also a FINRA-member broker-dealer. In general, Crown and its Advisory Associates will recommend its own brokerage services for the implementation of financial planning recommendations, provided that this recommendation is consistent with Crown's fiduciary duty to the client. Any commissions or other compensation received from the implementation of financial planning recommendations is separate and distinct from Crown's advisory fee. The receipt of additional compensation for the implementation of advice creates a conflict of interest. No financial planning client is obligated to use Crown to implement any recommended transactions and is free to use any broker-dealer. Please see the disclosures in Item 5 for additional information regarding the additional compensation earned by Crown and its registered representatives if clients purchase securities through Crown.

Clients should be aware that best execution and lower commissions may not necessarily be achieved if recommended transactions are placed through Crown, which could result in higher costs for the client.

Brokerage Practices for Investment Supervisory Services

Crown Heritage Program (Wrap Fee or Non-Wrap Managed Account Options)

Crown Heritage Program clients must direct Crown as to the broker-dealer/custodian to be used. Crown requires that clients direct it to custody the client's assets with and to place trades through Pershing, LLC ("Pershing"), member FINRA/SIPC. Crown has evaluated Pershing and believes that they will provide Crown's clients with a blend of execution services, commission costs, and professionalism that will assist Crown in meeting its fiduciary obligations to clients.

Crown has negotiated an arrangement with Pershing to provide custodial and brokerage services as part of the Crown Heritage programs. As such, Crown reserves the right to decline acceptance of any client account for which the client directs the use of a broker dealer/custodian other than Pershing ~~or NFS~~. In evaluating such an arrangement, the client should recognize that brokerage commissions for the execution of transactions in the client's account are not negotiated by Crown on a trade-by-trade basis, and best execution may not be achieved, which could result in higher costs for the client. In addition, transactions in the client's wrap account are effected "net" (i.e., without separate commission charge to the client) and a portion of the wrap fee is generally considered as being in lieu of commissions. The client should consider therefore that, depending upon the level of the wrap fee charged, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. Not all advisers require clients to direct it use a particular broker dealer, though the sponsors of wrap fee programs typically do.

The same considerations apply to the non-wrap account structure, the main difference being that the overall managed account fee will be in lieu of commissions, but not include the custodian's transaction-related charges, such as ticket charges and confirmation charges. As previously discussed under Item 5, there will also be additional charges and fees for specific services. Clients should review the custodian's pricing schedule and talk to their Adviser to understand the difference in account features.

Crown Heritage Adviser Advantage program (Wrap Fee Programs)

Crown Heritage Adviser Advantage Program clients must direct Crown as to the broker-dealer/custodian to be used. Crown requires that clients direct it to custody the client's assets with and to place trades through National Financial Services, LLC ("NFS"), member FINRA/SIPC. Crown has evaluated NFS and believes that they will provide Crown's clients with a blend of execution services, commission costs, and professionalism that will assist Crown in meeting its fiduciary obligations to clients.

Crown has negotiated an arrangement with NFS to provide custodial and brokerage services as part of the Crown Heritage Adviser Advantage wrap fee program. As such, Crown reserves the right to decline acceptance of any client account for which the client directs the use of a broker dealer/custodian other than NFS. In evaluating such an arrangement, the client should recognize that brokerage commissions for the execution of transactions in the client's account are not negotiated by Crown on a trade-by-trade basis, and best execution may not be achieved, which could result in higher costs for the client. In addition, transactions in the client's account are effected "net" (i.e., without separate commission charge to the client) and a portion of the wrap fee is generally considered as being in lieu of commissions. The

client should consider therefore that, depending upon the level of the wrap fee charged, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. Not all advisers require clients to direct it use a particular broker dealer, though the sponsors of wrap fee programs typically do.

Crown Sterling Adviser Program (Wrap Fee or Non-Wrap Managed Account Options)

Sterling Advisory Program clients must direct Crown as to the broker-dealer/custodian to be used. Crown requires that clients direct it to custody the client's assets with and to place trades through Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab) Crown has evaluated Schwab and believes that they will provide Crown's clients with a blend of execution services, commission costs, and professionalism that will assist Crown in meeting its fiduciary obligations to clients.

Crown has negotiated an arrangement with Schwab to provide custodial and brokerage services as part of the Crown Sterling wrap fee program. As such, Crown reserves the right to decline acceptance of any client account for which the client directs the use of a broker dealer/custodian other than Schwab. In evaluating such an arrangement, the client should recognize that brokerage commissions for the execution of transactions in the client's account are not negotiated by Crown on a trade-by-trade basis, and best execution may not be achieved, which could result in higher costs for the client. In addition, transactions in the client's account are effected "net" (i.e., without separate commission charge to the client) and a portion of the wrap fee is generally considered as being in lieu of commissions. The client should consider therefore that, depending upon the level of the wrap fee charged, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. Not all advisers require clients to direct it use a particular broker dealer, though the sponsors of wrap fee programs typically do.

The same considerations apply to the non-wrap account structure, the main difference being that the overall managed account fee will be in lieu of commissions, but not include the custodian's transaction-related charges, such as ticket charges and confirmation charges. As previously discussed under Item 5, there will also be additional charges and fees for specific services. Clients should review the custodian's pricing schedule and talk to their Adviser to understand the differences in account features.

Block Trading Procedures for Investment Supervisory Services

Crown will execute trades as a block ("block trades") where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Crown will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Crown's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's Advisory Services Agreement with Crown, or our

firm's order allocation policy.

- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Crown to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) Crown's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on Crown's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

Item 13: Review of Accounts

Reviewers: Generally, the supervision of activity on behalf of Crown is by the Branch Manager of each branch where advisory services are conducted. Specific client reviews are conducted by the Advisory Associate assigned to the account. Although Crown does not dictate a specific number of client accounts that any Advisory Associate may supervise or be involved in, the Branch Manager and Home Office monitor the size, number and type of advisory clients assigned to each Advisory Associate to maintain the quality of service to clients. The number of accounts overseen by an Advisory Associate

will vary from individual to individual.

Reviews: Reviews vary according to the type of advisory services contracted for. The primary reviewer is the Advisory Associate assigned to the account. The Branch Manager and Home Office Personnel conduct secondary reviews. The following list provides a general overview of the reviews conducted for each specified service:

Financial Planning Services

Reviews: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

Reports: Financial Planning clients will receive a completed financial plan or analysis as contracted for. Additional reports will not typically be provided unless otherwise contracted for.

Investment Supervisory Services

Reviews: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. The primary reviewers for these accounts are the Advisory Associate assigned to the account.

Statements: Statements are prepared at least quarterly by the custodian. Monthly statements and confirmations are sent whenever there is activity in the account. Crown does not typically provide any additional statements unless otherwise contracted for. Some Advisory Associates may offer clients additional reports as agreed upon in advance of clients entering into the advisory agreement with our firm. Clients should consult with their Advisory Associates for additional details.

Selection and Monitoring of Third-Party Asset Managers

Reviews: These accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. The primary reviewers for these accounts are the Advisory Associate assigned to the account.

Statements These clients should refer to the TPAM's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of statements provided by that Third Party Asset Manager.

Item 14: Client Referrals and Other Compensation

Client Referrals

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this Firm Brochure and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;

- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is Crown's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Other Compensation

Crown receives economic benefits from third parties other than clients (such as custodians, investment product issuers, and Third Party Asset Managers) when providing advisory services. This additional revenue, distribution and marketing support, Advisory Associate training, and technology creates conflicts of interest. A detailed explanation of these arrangements and how we manage the conflicts can be found in Item 5: Fees and Compensation.

Item 15: Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, a Crown Sterling client's Adviser will notify the custodian, Schwab, of the amount of the fee to be deducted from that client's account. Crown Heritage clients will have the fee calculated and deducted automatically by either Pershing or NFS, respectively. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

It is important for clients to carefully review their custodial statements to verify the accuracy of the fee calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, some Advisers may also send additional performance reports or statements to their clients on a monthly or quarterly basis. We have partnered with a small number of third party vendors to provide these additional services, such as consolidated portfolio reporting for clients who hold assets at more than one custodian, for instance. It is at the Adviser's discretion whether he will contract for and offer this additional service. These reports are prepared using industry-standard protocols and careful effort is taken to provide accurate information, but third party performance reports are for informational purposes only, are not the official records of Crown, and should not be used for tax or legal purposes. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current and to bring any discrepancies to the attention of their Adviser or Crown.

Our firm does not have actual or constructive custody of client accounts.

Item 16: Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell; and/or
- determine the time and price of the security to buy or sell.

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit the different components of this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17: Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially 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 are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18: Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a balance sheet for our most recent fiscal year.

Registered Investment Adviser firms are required to disclose any financial condition that is reasonably likely to impair their ability to meet contractual obligations. Crown has no financial circumstances to report in this regard.