



## **Cedar Financial Advisors, LLC**

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**Firm Brochure (Form ADV part 2A)**

**May 7, 2021**

This Brochure provides information about the qualifications and business practices of Cedar Financial Advisors, LLC ("CFA" or "Advisor"). If you have any questions about the contents of this Brochure, please contact us at (503)512-5890 or [info@cedaradvisors.com](mailto:info@cedaradvisors.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.

Cedar Financial Advisors, LLC is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about CFA is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for CFA is 146084.

## Item 2 – Material Changes

Since our last annual update on February 1, 2021, we amended this disclosure brochure to reflect the following:

1. The firm moved from state to SEC registration in June 2021

### **Full Brochure Available**

Currently, our Brochure may be requested by contacting Peggy Kessinger, Principal at (503)512-5890 or [info@cedaradvisors.com](mailto:info@cedaradvisors.com). Our Brochure is also available on our web site [www.cedaradvisors.com](http://www.cedaradvisors.com) also free of charge.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Additional information about Cedar Financial Advisors, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with CFA who are registered, or are required to be registered, as investment advisor representatives of CFA.

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## **Item 4 – Advisory Business**

### **Firm Description**

Cedar Financial Advisors LLC (“CFA” or “Advisor”) is an investment advisor providing fee-only financial planning and wealth management (financial planning and investment management as part of an ongoing relationship) services. The terms and conditions under which the Advisor will render its services are set forth in a written Service Agreement executed with the client before services are provided.

CFA is a limited liability company (“LLC”) formed under the laws of the State of Oregon in 2006. Peggy Kessinger and Tim Kober are the company’s members. In June 2021, the firm moved from state to SEC registration. “Registration” means only that Cedar Financial Advisors has met the minimum requirements for registration as an investment advisor and does not apply a certain level of skill or training or that the SEC or any other regulator guarantees the quality of our services or recommends them.

### **Types of Advisory Services**

Prospective clients receive a complimentary initial consultation, during which the client and the Advisor discuss the client’s goals and suitability of an ongoing advisory relationship.

#### ***1. Financial Planning***

Fixed fee Goal-based Financial Planning advice is rendered in areas including cash flow and debt management, risk management, college funding, life and career changes, asset allocation and investment selection, retirement planning, non-cash (stock options and restricted stock) compensation planning, tax planning, and estate planning. Financial Planning services include:

- Discovery and prioritization of your short- and long-term goals.
- Gather and organize your data and documents.
- Analyze your financial condition, challenges and opportunities as they relate to your goals.
- Develop an investment strategy that balances your goals with your situation and potential.
- Provide written recommendations to help you achieve stated goals.
- Implement the financial decisions you make.

#### ***2. Wealth Management***

Wealth Management services incorporate ongoing financial planning and investment management services for clients who have completed an initial comprehensive financial plan.

### ***Ongoing Financial Planning Services***

Ongoing, as-needed Financial Planning advice is rendered to monitor your progress to reaching your personal and financial goals and to respond to changes in your situation.

To the extent requested by the client, Ongoing Financial Planning services include:

- Review, maintenance, and retention of documents including wills, trusts, contracts, family records, etc.
- Ongoing Financial Planning advice on issues such as cash management, risk management, retirement income planning, estate planning and tax planning.
- Annual updates to your financial plan
- Meetings, phone calls, and other coordination efforts with your other advisors including attorney, accountant, trustee, banker, insurance agent, etc. However, these will take place only after prior authorization from the client

### ***Investment Management Services***

The Advisor will implement your asset allocation and investment plan using the strategies described in Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss. We provide you with a written Investment Policy Statement which provides guidelines for how your portfolio will be managed.

To the extent requested by the client, Investment Management services include:

- Develop written Investment Policy Statement (IPS).
- Investment selection and discretionary execution of trades.
- Account aggregation of held-away accounts, as appropriate.
- Monitor portfolio performance
- Periodic performance reporting.
- Periodic portfolio rebalancing.
- Management for tax efficiency.

### ***Types of Investments***

CFA offers advice on the following:

1. Equity securities
  - a. exchange-listed securities
  - b. securities traded over-the-counter

- c. Foreign issuers
- 2. Warrants
- 3. Corporate debt securities (other than commercial paper)
- 4. Commercial Paper
- 5. Certificates of Deposit
- 6. Municipal securities
- 7. Investment company securities:
  - a. variable life insurance
  - b. variable annuities
  - c. mutual fund shares
- 8. United States government securities
- 9. Options contracts on:
  - a. securities
  - b. commodities
- 10. Interests in partnerships investing in real estate

In addition to the securities types listed above, CFA evaluates and advises clients on their pre-existing holdings, which may include all types of investments. Recommendations for new investments will typically be limited to those securities types listed above. ***The primary recommended investment vehicles are no-load mutual funds and exchange-traded funds.***

Occasionally, CFA will recommend private real estate partnership programs, public real estate investment trusts (REITs), or other alternative investments for certain clients as part of their asset allocation strategy. For eligible clients, CFA may recommend the TIAA Real Estate Account. CFA will also evaluate insurance products such as annuities and various types of life insurance products which may have been recommended to clients by other professionals.

CFA tailors advice based on client circumstances, including age, goals, age, risk tolerance, and employment status.

CFA respects client constraints regarding restrictions on investing in certain securities, such as employer stock trading window restrictions.

## **Managed Assets**

As of December 31, 2020, CFA managed approximately \$109,000,000 in assets for about 406 accounts or around 62 client households. The managed assets total includes held-away accounts.

## **General Services Information**

A client agreement may be canceled by either the client or CFA upon written notice to the other party for any reason at any time. Upon termination, CFA will refund to the client any prepaid unearned fees on a pro rata basis from the date of termination through the end of the current billing period.

## **Item 5 – Fees and Compensation**

**Services similar to those provided by Cedar Financial Advisors, LLC may be available at other financial services companies for a lower fee.**

### **Financial Planning Fees**

The scope of the financial plan will be defined together with the client. Initial financial planning fees typically range from \$5,000 to \$7,000, depending on the client's specific goals and the complexity of the plan. A deposit of fifty percent (50%) of the total estimated fee is due upon signing the Services Agreement, with the balance due when the services are completed. The fee for subsequent financial plan updates will typically range from \$3,000 to \$5,500. The fee will be quoted at the time the financial plan update is requested by the client.

### **Wealth Management Fees\*\***

CFA charges an annual fixed fee, billed quarterly in arrears and rounded down to the nearest \$1,000, based upon the amount of assets under CFA's management in the prior quarter in accordance with the following fee schedule. CFA's fee in the first billing period of this Agreement will be prorated from the Effective Date to the end of the first billing period. In certain circumstances, CFA may reduce or waive client fees in CFA's sole discretion. CFA may combine the Account values of multiple family members to determine the applicable fee.

<b>AUM Fixed Annual Fee Table</b>		
From	To	Progressive Fee Rate
0	1,000,000	1%

1,000,001	2,000,000	0.75%
2,000,001	5,000,000	0.5%
5,000,001	50,000,000	0.25%

**\*\*Existing clients may have a different fee structure.**

We prefer to accept wealth management clients with a minimum of \$1 million to invest. Our minimum annual fee is \$5,000. We may waive account size and minimum investment requirements at our discretion.

Annually CFA recalculates fee using the value of client's Account(s) and applying the fixed fee according to the total amount of client's Assets at the end of the prior quarter.

A calculation using the progressive fee rate for a client with \$1,600,000 of investable assets would be calculated at 1.00% for the first \$1,000,000 and then, 0.75% for the next \$600,000. The calculated fee would be \$10,000 + \$4,500 = \$14,500.

#### **Example Fee Calculation**

Your fixed annual fee is updated each August. Your Assets Under Management on June 30 (at the end of the prior quarter) were \$1,257,890. The calculated fee is \$11,934.17, and the Fixed Annual Fee is \$11,000, effective July 1.

#### **General Fees Information**

Wealth Management fees are due quarterly, in arrears of service, and is deducted from client's assets. Fees for the first quarter will be prorated. Extraordinary services will be billed on an hourly basis after discussion with the client.

All fees paid to CFA for investment supervisory services are separate and distinct from the fees and expenses charged by mutual funds 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 possibly a distribution fee. **CFA recommends "no load" mutual funds.**

Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Such charges, fees and commissions are exclusive of and in addition to CFA's fee, and CFA shall not receive any portion of these commissions, fees, and costs.

A client could invest in mutual funds directly or through other brokers or agents not affiliated with CFA, without the services of CFA. In that case, the client would not receive the services provided by CFA 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. Certain institutional share class mutual funds may not be available to the client directly. Accordingly, the client should review both the fees charged by the funds and the fees charged by CFA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

CFA's relationship with each client is non-exclusive; in other words, CFA provides investment supervisory services and financial planning services to multiple clients. CFA seeks to avoid situations in which one client's interest may conflict with the interest of another of its clients.

#### **Compensation for Sales of Investment Products**

CFA does not sell any investment or insurance products and does not receive commissions from persons sponsoring investments, other advisors, originators, syndicators, or distributors. Our only compensation is the fees we receive from our clients and our only allegiance is to their best interests. As a result of the way we are compensated, we have an incentive to move accounts to our management or add assets to the accounts we manage. You pay our quarterly fee even if we do not buy or sell any securities.

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

CFA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Performance-based compensation may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows CFA to participate in the growth of the client's wealth. This also means that our fees can decline when the portfolio declines in value.

#### **Item 7 – Types of Clients**

CFA specializes in providing financial planning and wealth management advice to pre-retirees, retirees, and working professionals/executives.

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

##### **Risk of loss**

CFA does not guarantee the future performance of the Account or any specific level of performance, the success of any investment recommendation or strategy that CFA may take or recommend for the Account, or the success of CFA's overall management of the Account. The client understands that investment recommendations for the Account by CFA are subject to various risks, including but not limited to, market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. CFA cannot offer any

guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Goal-based Financial Planning**

The financial planning process incorporates the client's goals, time horizon, risk tolerance, and need to take risk. CFA determines a ***portfolio average rate of return*** that achieves the client's financial goal plan with an acceptable level of confidence and risk. Projected rates of return for each asset class are used to calculate the portfolio expected rate of return.

The results of a client's financial plan help determine the portfolio design. Client portfolios are constructed using a diversified set of asset classes with the objective of lowering the amount of risk required to achieve the portfolio expected rate of return.

Client portfolios are typically constructed using index mutual funds and ETFs. If index funds are not available (e.g. in an employer-sponsored 401(k) plan) active funds are used. CFA typically does not analyze or recommend individual stocks in client portfolios.

### **Strategic Asset Allocation**

The client portfolio is periodically rebalanced to meet the target asset allocation determined in the financial plan. CFA does ***not*** try to "time the market" to avoid holding risky asset classes during market downturns.

***CFA's recommended investment strategies do not utilize frequent trading of securities.***

### **Index Fund Management**

Indexing is an investment approach that seeks to track the performance of a specific benchmark, or index. Index funds do this by holding all (or a representative sample) of the securities in the index being tracked. This "passive" investment approach emphasizes broad diversification, limited trading of the securities held in the portfolio, and low costs.

### **Active Fund Management**

Active management is an approach that uses a human element, such as a single manager, co-managers or a team of managers, to actively manage a fund's portfolio. Active managers rely on analytical research, forecasts, and their own judgment and experience in making investment decisions on what securities to buy, hold and sell.

### **Stock Fund Primary Risks**

An investment in a stock fund could lose money over short or even long periods. You should expect a stock fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. A stock fund's performance could be hurt by:

- ***Stock market risk***, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The stock fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies.

- **Index sampling risk (Index Funds)**, which is the chance that the securities selected for the fund, in the aggregate, will not provide investment performance matching that of the fund's target index. Index sampling risk for the fund should be low.
- **Manager risk (Active Funds)**, which is the chance that poor security selection will cause the stock fund to underperform relevant benchmarks or other funds with a similar investment objective.

### **Bond Fund Primary Risks**

An investment in a bond fund could lose money over short or even long periods. You should expect a bond fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall bond market. The fund's performance could be hurt by:

- **Interest rate risk**, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be moderate for the fund because it invests mainly in short- and intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.
- **Income risk**, which is the chance that the fund's income will decline because of falling interest rates. Income risk is generally moderate for intermediate-term bond funds, so investors should expect the fund's monthly income to fluctuate accordingly.
- **Credit risk**, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Credit risk should be low for the fund because it purchases only bonds that are issued by the U.S. Treasury or are of investment-grade quality.
- **Call risk**, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates. The fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. For mortgage-backed securities, this risk is known as **prepayment risk**. Call/prepayment risk should be moderate for the fund because it invests only a portion of its assets in callable bonds and mortgage-backed securities.
- **Index sampling risk (Index Funds)**, which is the chance that the securities selected for the fund, in the aggregate, will not provide investment performance matching that of the fund's target index. Index sampling risk for the fund should be low.
- **Manager risk (Active Funds)**, which is the chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

## **Foreign Stock Fund Primary Risks**

An investment in a foreign stock fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the global stock market. The fund's performance could be hurt by:

- ***Stock market risk***, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's investments in foreign stock markets can be riskier than U.S. stock investments. The prices of foreign stocks and the prices of U.S. stocks have, at times moved in opposite directions. In addition, the fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies.
- ***Country/regional risk***, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because the fund may invest a large portion of its assets in securities of companies located in any one country or region, the fund's performance may be hurt disproportionately by the poor performance of its investments in that area. Country/regional risk is especially high in emerging markets.
- ***Emerging markets risk***, which is the chance that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets.
- ***Currency risk***, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.
- ***Index sampling risk (Index Funds)***, which is the chance that the securities selected for the fund, in the aggregate, will not provide investment performance matching that of the Index.
- ***Manager risk (Active Funds)***, which is the chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.
- ***Investment style risk***, which is the chance that returns from non-U.S. small capitalization stocks will trail returns from the overall global stock market. Historically, non-U.S. small-cap stocks have been more volatile in price than the large-cap stocks that dominate the global market, and they often perform quite differently.

### **Real Estate Investment Trust (REIT) Fund Primary Risks**

An investment in a REIT fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

- **Industry concentration risk**, which is the chance that the stocks of REITs will decline because of adverse developments affecting the real estate industry and real property values. Because the fund concentrates its assets in REIT stocks, industry concentration risk is high.
- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The fund's target index may, at times, become focused in stocks of a limited number of companies. Because the fund seeks to track its target index, the fund may underperform the overall stock market.
- **Interest rate risk**, which is the chance that REIT stock prices overall will decline because of rising interest rates. Interest rate risk should be high for the fund.
- **Investment style risk**, which is the chance that the returns from REIT stocks—which typically are small- or mid-capitalization stocks—will trail returns from the overall stock market. Historically, these stocks have performed quite differently from the overall market.

### **Money Market Fund Primary Risks**

A money market fund is designed for investors with a low tolerance for risk; however, the fund's performance could be hurt by:

- **Income risk**, which is the chance that the fund's income will decline because of falling interest rates. Because the fund's income is based on short-term interest rates—which can fluctuate significantly over short periods—income risk is expected to be high.
- **Manager risk**, which is the chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.
- **Credit risk**, which is the chance that the issuer of a security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline. Credit risk should be very low for the fund, because it invests primarily in securities that are considered to be of high quality.
- **Industry concentration risk**, which is the chance that there will be overall problems affecting a particular industry. Because the fund invests more than 25% of its assets in

securities issued by companies in the financial services industry, the fund's performance depends to a greater extent on the overall condition of that industry.

An investment in a money market fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

### **Exchange Traded Funds (ETF) Risks**

Because ETF Shares are traded on an exchange, they are subject to additional risks:

- ETF Shares are listed for trading on NYSE Arca and/or other stock exchange and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of a ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV vary significantly. Thus, you may pay more or less than NAV when you buy ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.
- Although ETF Shares are listed for trading on NYSE Arca and/or other exchanges, it is possible that an active trading market may not develop or be maintained.
- Trading of ETF Shares on NYSE Arca may be halted if NYSE Arca officials deem such action appropriate, if ETF Shares are delisted from NYSE Arca, or if the activation of market wide "circuit breakers" halts trading generally.

***Note: index investing strategy and risk descriptions were obtained from Vanguard fund prospectuses.***

### **Alternative Investment Risks**

CFA may recommend alternative investments that have different and/or additional risks than those listed above. Before investing in alternative investments or any investment recommended by CFA, make sure that you understand and accept the risks associated with the investment.

### **Item 9 – Disciplinary Information**

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CFA or the integrity of CFA's management. CFA has no information applicable to this Item.

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

#### **Financial Industry Activities**

CFA is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

### **Affiliations**

CFA has no material arrangements with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

## **Item 11 – Code of Ethics**

### **Code of Ethics**

As a CERTIFIED FINANCIAL PLANNER™ practitioner, the Advisor has sworn to uphold the CFP Board's Code of Ethics and Professional Responsibility. In addition, as a fee-only NAPFA-Registered Financial Advisor, the Advisor has also pledged to abide by the National Association of Personal Financial Advisors' (NAPFA) Code of Ethics. In addition to setting high standards for its work with clients, CFA's intent in adopting these Codes is to protect client interests and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing. A copy of those codes of ethics will be provided to clients or prospective clients upon request.

### **Participation or Interest in Client Transactions**

The Advisor may buy and/or sell securities also recommended to clients. These transactions are in broadly traded mutual funds, stocks, and bonds and similar investments where personal ownership is not likely to present a conflict of interest. These transactions will be fully disclosed to clients if at any time it appears that such investing will impact any recommendation provided to clients.

It is CFA's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. CFA will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

### **Selecting Brokerage Firms**

CFA is not a registered representative with any FINRA securities firm. As a fee-only investment advisor CFA has a relationship with one or more discount brokerage firms for administrative

purposes. CFA typically recommends TD Ameritrade to custodian client accounts. Clients may choose to work with their institution of choice if we are able to set up appropriate arrangements with the other discount brokerage firm. Any costs required by this relationship would be the responsibility of the client and would not be included in the standard wealth management fee. CFA selects brokerage custodians based upon the availability of investment products, level of service, and brokerage fees and commissions. The reasonableness of fees and commissions is based upon comparisons with other brokerage firms offering similar services.

### **Soft Dollars**

“Soft dollars” is a rebate or commission for a trade or other financial transaction that is paid with goods or services, rather than cash.

### **Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, CFA may receive from TDA (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist CFA to better monitor and service client accounts maintained at such institutions.

Included within the support services that may be obtained by CFA may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by CFA in furtherance of its investment supervisory business operations. Accordingly, certain of the support services and/or products that may be received may assist CFA in managing and administering client accounts. Others do not directly provide such assistance, but rather assist CFA to manage and further develop its business enterprise.

CFA’s clients do not pay more for investment transactions effected and/or assets maintained at TDA as a result of this arrangement. There is no corresponding commitment made by CFA to TDA or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

CFA’s Chief Compliance Officer, Peggy, Kessinger, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

### **Directed Brokerage**

Some clients may instruct CFA to use one or more particular brokerage or custodians for the transactions in their accounts. Clients who may want to direct CFA to use a particular broker should understand that this may prevent CFA from effectively negotiating brokerage



compensation on their behalf. This arrangement may also prevent CFA from obtaining the most favorable net price and execution. Thus, when directing brokerage business, clients should consider whether the commission expenses and execution, clearance and settlement capabilities that they will obtain through their broker are adequately favorable in comparison to those that CFA would otherwise obtain for its clients.

CFA typically does not execute block trades. Trading of client accounts is typically performed on an as-needed basis based on a specific client situation and not on a firm-wide basis.

## **Item 13 – Review of Accounts**

### **Periodic Reviews**

Client reviews are prepared in accordance with the client's Services Agreement. Wealth Management clients are provided with quarterly, semi-annual, or annual reviews, which vary in focus by quarter and may include asset allocation update and rebalancing, performance reviews, tax and estate plan reviews, investment reviews, cash flow monitoring, and more.

### **Review Triggers**

Account reviews for Wealth Management clients are performed more frequently if circumstances dictate. Such circumstances include, but are not limited to, changes in market economic conditions, tax laws and when client objectives change. The level of the review will be determined by the complexity of the policy and the factors that trigger the review. Cedar Financial Advisors, LLC makes no representation with respect to legal matters, and it is the client's responsibility to consult with legal counsel as necessary. All reviews are conducted by Tim Kober, Principal or Peggy Kessinger, Principal.

### **Regular Reports**

Wealth Management clients receive a quarterly portfolio summary, which includes asset allocation and holdings in the Account.

Clients are provided with transaction confirmation notices and regular account summary statements directly from the broker-dealer or custodian for the client accounts on at least a quarterly basis. Financial Planning, Wealth Management, and/or Consulting clients will receive written reports, analysis, and recommendations in email communication.

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

As referenced in Item 12 above, CFA may receive an indirect economic benefit from TDA. CFA, without cost (and/or at a discount), may receive support services and/or products from TDA.

CFA may, from time to time, engage in key word search, pay-per-click, and pay-per impression advertising campaigns via the internet. Such campaigns involve payments for web-based referrals based on certain search-terms related to the financial planning or wealth management

business. Most internet-based advertising requires the advertiser to pay for the impressions or referrals whether or not they ultimately result in any transaction (referred to as “conversions”).

CFA periodically receives client referrals from websites where they may be listed. In no case will the client pay any additional fees to CFA for services if the referral comes from any of these listings.

CFA is Fee-Only and is compensated solely by the above fee and does not receive any commissions, referral fees, or other third-party payments in connection with services provided under this Agreement.

#### **Item 15 – Custody**

CFA does not take custody of client accounts. A qualified custodian is used for client accounts under management. CFA managed accounts may include those “held away” at a client’s employer sponsored retirement plan or other custodian. Clients with “held away” accounts are required to enter their account user ID and/or password (“credentials”) themselves via a self-service third-party data aggregation provider for reporting of account data to CFA. Clients are entirely responsible for making trades in “held away” accounts.

The Wealth Management Fixed Fee assessed by CFA for “held away” accounts is the same as any other custodial relationship initiated by CFA for our clients. This “level fee” arrangement serves to reduce or remove any potential conflict of interest related to custodian selection.

#### **Account Statements**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client’s investment assets. CFA urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

CFA usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, CFA observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to CFA in writing.

If you enter into non-discretionary arrangement with CFA, we will obtain your approval prior to the execution of any transactions for your Account. You have an unrestricted right to decline to implement any advice provided by CFA on a non-discretionary basis.

**Item 17 – Voting Client Securities**

As a matter of firm policy and practice, CFA does not have any authority to and not vote proxies on clients' securities or provide advice for proxy voting. Client retains the responsibility for receiving and voting any proxies on securities maintained in CLIENT's Account and for making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, class actions, or other types of events pertaining to securities in client's Account.

**Item 18 – Financial Information**

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about CFA's financial condition. CFA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

CFA does not require the prepayment of more than \$500 in fees per client, six months or more in advance.