



## Kane Financial, LLC

151 West Main Street  
Waterville, NY 13480  
(315) 801-9028

[www.kanefp.com](http://www.kanefp.com)

### Form ADV Part 2A – Firm Brochure

Dated: September 28, 2021

This Brochure provides information about the qualifications and business practices of Kane Financial, LLC. If you have any questions about the contents of this Brochure, please contact us at (315) 801-9028. 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.

Kane Financial, LLC is registered as an Investment Adviser with the Securities and Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Kane Financial, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm's identification number 291231.

## **Item 2: Material Changes**

Since our last annual amendment filed February 1, 2021, we have made the following material changes:

- We have switched from New York state registration to registration with the Securities and Exchange Commission.
- Item 4 - We have changed our organization structure from sole proprietorship to a limited liability company.
- Item 4 - We have added a description to our Non-ERISA 403(b) Plan services and removed our Comprehensive Financial Planning service.
- Item 5 - We have added a description to our Non-ERISA 403(b) Plan services and removed our fee description for Comprehensive Financial Planning.
- Item 15 - We have amended our policy on providing invoices.

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

## **Item 3: Table of Contents**

### **Contents**

Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	10
Item 6: Performance-Based Fees and Side-By-Side Management	14
Item 7: Types of Clients	15
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	16
Item 9: Disciplinary Information	20
Item 10: Other Financial Industry Activities and Affiliations	21
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	22
Item 12: Brokerage Practices	24
Item 13: Review of Accounts	27
Item 14: Client Referrals and Other Compensation	28
Item 15: Custody	29
Item 16: Investment Discretion	30
Item 17: Voting Client Securities	31
Item 18: Financial Information	32
Form ADV Part 2B – Brochure Supplement	33

## **Item 4: Advisory Business**

### **Description of Advisory Firm**

Kane Financial, LLC is registered as an Investment Adviser with the Securities and Exchange Commission. We are a limited liability company and were founded in November of 2017. Clinton Kane is the principal owner of Kane Financial, LLC.

The following paragraphs describe our services. Please refer to the description of each investment advisory service below for information on how we tailor our advisory services to your individual needs.

As used in this brochure, the words "KF", "we", "our firm", "Advisor" and "us" refer to Kane Financial, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

### **Types of Advisory Services**

#### **Investment Management Services**

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. 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 with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We may also review and discuss a client's prior investment history, as well as family composition and background. Once the portfolio is constructed, we provide regular supervision and rebalancing of the portfolio as changes in market conditions and your circumstances may require.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as risk tolerance, time horizon, and tax considerations. We manage client accounts on a discretionary basis as further described in Item 16 of this Brochure.

#### **Financial Planning Services**

We provide financial planning services to all of our investment management clients at no additional charge. For clients who do not engage us for investment management, fees will be billed at our hourly rate as further described in Item 5 of this Brochure. .

Financial planning is an evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning

process, all questions, information and analysis will be considered as they affect and are affected by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern. The client and Advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes

ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses,

or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).

- **Tax Preparation Assistance:** Tax Preparation services are offered to clients of KF through our recommended third-party accounting and tax planning firm, XY Tax Solutions, LLC (“XYTS”). KF and XYTS are separate and unaffiliated entities. We will utilize the services of XYTS to facilitate the preparation and filing of client’s federal and state tax returns and we will work with the client and XYTS to gather the necessary information as part of this service. In addition and at the client’s election, XYTS’s licensed CPAs will work with clients to also conduct research and answer tax-related questions to help the client adequately plan through certain transactions and financial changes so that they can fully understand any tax consequences or opportunities for savings in the future. Upon client consent, KF may participate in meetings or phone calls between clients and XYTS to provide support. Clients are not required to utilize any third-party products or services that we may recommend, and clients can receive similar services from other professionals at a similar or lower cost. KF does not receive any compensation from XYTS for client referrals.
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

## **Employee Benefit Plan Services**

Our firm provides employee benefit plan services to employer plan sponsors on an ongoing basis. Generally, such services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education.

In providing employee benefit plan services, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”).

All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accepts appointments to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

After consultation with the plan trustee or administrator, KF recommends a plan custodian based on such factors as the needs and size of the plan, fees associated with use of the Custodian and types of investments available.

### **Non ERISA 403(b) Plan Services**

KF will create and maintain fully diversified asset allocation models invested in pre-selected portfolios of mutual funds, money market funds and exchange traded funds (“ETFs”) for Non-ERISA 403(b) accounts offered through Aspire Financial Services, LLC. Accounts will be managed on a discretionary basis, as further described in Item 16 of this Brochure.. Clients will be assigned a target date fund or Model Portfolio or combination thereof based on their risk assessment, investable assets and chosen management strategy. Clients can choose a diversified Model Portfolio or target date fund or combination thereof but may not direct the underlying individual investments (such as mutual funds and ETFs) which comprise the Model Portfolios. The range and types of diversified asset allocation model portfolios may be changed from time to time by Adviser.

### **Client Tailored Services and Client Imposed Restrictions**

We offer the same suite of services to all of our clients. However, specific client investment recommendations and financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client’s current situation (income, tax levels, and risk tolerance levels) and is used to construct a



client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients are able to specify, within reason, any restrictions they would like to place as it pertains to individual securities and/or sectors that will be traded in their account. All such requests must be provided to KF in writing. KF cannot accept requests that prohibit or restrict the purchase of specific securities or types of securities held within mutual funds or exchange-traded funds purchased by KF, where applicable, in the Client's account(s).

### **Wrap Fee Programs**

We do not participate in wrap fee programs.

### **Assets under Management**

As of August 17, 2021, KF has \$26,652,435 in discretionary and \$2,512,468 in non-discretionary assets under management.

## **Item 5: Fees and Compensation**

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

### **Investment Management Services**

Our **Standard Advisory Fee** is based on the market value of the assets under management and is calculated as follows:

Account Value	Annual Advisory Fee
\$0 - \$500,000	1.00%
\$500,000 - \$1,000,000	0.75%
\$1,000,000 and Above	0.50%

Fees are paid monthly or quarterly in arrears based on the average daily balance of the account(s). Fees are negotiable. The Standard Advisory Fee is a blended fee calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart, resulting in a combined weighted fee.

For example, an account with an average daily balance totaling \$2,000,000 would pay an effective fee of 0.6875% with the annual fee of \$13,750. The fee is determined by the following calculation:  $((\$500,000 \times 1.00\%) + (\$500,000 \times 0.75\%) + (\$1,000,000 \times 0.50\%))$ . The annual fee is then divided by either twelve for monthly fee deduction or by four for quarterly fee deduction. No increase in the annual fee shall be effective without prior Client consent. Accounts initiated or terminated during a calendar billing period will be charged a prorated fee based on the amount of time remaining in the billing period.

Advisory fees are directly debited from client account(s) held at a qualified custodian upon Client's written approval of such arrangement and the periodic submission to the qualified custodian of the amount of advisory fees to be charged to Client's account(s). The Custodian will send an account statement to the Client at least quarterly, identifying the amount of funds and each security in the account at the end of the period and setting forth all transactions in the account during the period, including the amount of our Standard Advisory Fee. Fees will typically be paid from cash balances or through the liquidation of money market shares held in the Client's account, however, if money

market shares or cash value are not available, other investments may be liquidated to pay such fees when due. Clients may also choose to pay by check.

**Fee-Based Variable Annuities:** For assets held in a Fee-Based Variable Annuity, Adviser charges an annual advisory fee of 0.50%, billed monthly or quarterly in arrears. Fees are calculated based on the ending market value of the account on the last business day of the billing period and multiplying it by 0.50% divided by twelve for monthly fee deduction or by four for quarterly fee deduction.

Accounts initiated or terminated during an interim billing period will be charged a prorated fee based on the amount of time remaining in the billing period. Fees will be directly deducted from the Client's account held at the third-party custodian upon Client's written approval of such arrangement. The custodian will send an account statement to the Client at least quarterly showing the amount of the fee.

An account may be terminated with written notice at least 7 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account.

### **Financial Planning Services**

Financial Planning Services is billed at our hourly rate of \$200.00 per hour, depending on complexity. The fee may be negotiable in certain cases and is due at the completion of the engagement. In the event of early termination by a client, any fees for the hours already worked will be prorated and due upon the termination date. Fees for this service may be paid by electronic funds transfer or check. At the commencement of the engagement, an estimate of the number of hours needed to complete the work will be notated in the Financial Planning Agreement.

### **Employee Benefit Plan Services**

Employee Benefit Plan Services are either billed based upon a percentage of assets under management according to the following fee schedule or clients will pay a fixed annual fee.

#### Fee Schedule:

Account Value (Plan Assets)	KF's Fee
\$0 - \$3,000,000	0.50%
\$3,000,001 - \$5,000,000	0.40%
\$5,000,001 - \$10,000,000	0.30%
\$10,000,000 and Above	Negotiable

Fees are debited from the plan assets on a quarterly basis, in arrears based on the average daily balance in the account. Fees are negotiable. The advisory fee is a blended fee

calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart, resulting in a combined weighted fee.

For example, an account with an average daily balance totaling \$7,000,000 would pay an effective fee of 0.4286% with the annual fee of \$30,000. The quarterly fee is determined by the following calculation:  $((\$3,000,000 \times 0.50\%) + (\$3,000,000 \times 0.40\%) + (\$1,000,000 \times 0.30\%)) \div 4 = \$7,500.00$ . No increase in the annual fee shall be effective without prior Client consent. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period.

Fees for this service are deducted directly from the plan assets by the Custodian, and KF's fee is remitted to KF. The employer may be responsible for paying fees leveraged by the Custodian. Prior to the commencement of the engagement, KF researches and reviews the fees to be leveraged by the Custodian as a part of services offered and discusses those fees with the plan administrator. This service may be terminated with 7 calendar days' advance notice.

#### Fixed Fee:

KF may charge a fixed fee per quarter instead of percentage of assets, based on the number of plan participants, investment management services, travel, meeting frequency, and other services. Fixed fees range from \$300 to \$1,000 per quarter billed in arrears.

This fee is negotiable and can be revisited at any time at the discretion of the Advisor and/or plan sponsor. The plan sponsor has the ability to pay this fee from the business or to charge to plan assets on a pro rata basis. The employer may be responsible for paying fees leveraged by the Custodian and Third-Party Administrator (TPA). Prior to commencement of the engagement, KF researches and reviews the fees to be leveraged by the Custodian and Third-Party Administrator as part of services offered and discusses those fees with the plan administrator. This service may be terminated with 7 calendar days' advance notice.

### **Non ERISA 403(b) Plan Services**

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Annual Advisory Fee
0.50%

The annual fees are negotiable and are assessed pro rata, in arrears, from the assets in the account on a quarterly basis. Fees are calculated at the end of each calendar quarter using the ending market value of the account on the last business day of the quarter and multiplying it by 0.125%.

Advisory fees are directly debited from client accounts. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 7 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account.

### **Other Types of Fees and Expenses**

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

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

We do not offer performance-based fees and do not engage in side-by-side management.

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

We provide financial planning and portfolio management services to individuals, high net-worth individuals, pension and profit sharing plans, and small businesses.

We do not have a minimum account size requirement to open or maintain an account under our management.

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

Our primary methods of investment analysis and investment strategy is fundamental analysis and passive investment management.

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

### **Passive Investment Management**

We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Academic research indicates most active managers underperform the market.

### **Material Risks Involved**

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.



**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable, or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

### **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt

securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which client's invest.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

**Socially Responsible Investing.** KF may utilize various socially conscious investment approaches if a client desires. KF may construct portfolios that utilize mutual funds, ETFs, or individual securities with the purpose of incorporating socially conscious principles into a client's portfolio. These portfolios may sometimes also be customized to reflect the personal values of each individual, family, or organization. This allows KF's clients to invest in a way that aligns with their values. KF may rely on mutual funds and ETFs that incorporate Environmental, Social and Governance ("ESG") research as well as

positive and negative screens related to specific business practices to determine the quality of an investment on values-based merits.

Additionally, KF may construct portfolios of individual securities in order to provide clients with a greater degree of control over the socially conscious strategies they are utilizing. KF relies on third-party research when constructing portfolios of individual securities with socially conscious considerations.

**Annuity Risk.** Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirements or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

## **Item 9: Disciplinary Information**

### **Criminal or Civil Actions**

KF and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

KF and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

KF and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of KF or the integrity of its management.

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

No KF employee is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No KF employee is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

KF does not have any related parties. As a result, we do not have a relationship with any related parties.

KF only receives compensation directly from clients. We do not receive compensation from any outside source.

No KF employee is licensed to sell life and health insurance, and No KF employee engages in product sales with our clients, for which they will receive additional compensation.

### **Recommendations or Selections of Other Investment Advisers**

KF does not recommend clients to other investment advisers to manage our client's accounts.

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

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

Although KF adheres to the CFP® Board of Standards Inc., Clinton Kane does not hold the CFP® designation.

### **Code of Ethics Description**

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- **Integrity** - Associated persons shall offer and provide professional services with integrity.
- **Objectivity** - Associated persons shall be objective in providing professional services to clients.
- **Competence** - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- **Fairness** - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- **Confidentiality** - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- **Professionalism** - Associated persons' conduct in all matters shall reflect credit of the profession.

- **Diligence** - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

### **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Our firm and its “related persons” may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates’ transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

### **Trading Securities At/Around the Same Time as Client’s Securities**

From time to time, our firm or its “related persons” may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of KF to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, KF will never engage in trading that operates to the client’s disadvantage if representatives of KF buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **Factors Used to Select Custodians and/or Broker-Dealers**

KF does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to clients based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

### **Research and Other Soft-Dollar Benefits**

We currently do not receive soft dollar benefits.

### **Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **Clients Directing Which Broker/Dealer/Custodian to Use**

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve the most favorable execution of client transactions and this may cost clients money over using a lower-cost custodian.

### **The Custodian and Brokers We Use (TD Ameritrade)**

The Advisor also participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between KF’s participation in the program and the investment advice it gives to its clients, although KF receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving KF participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to KF by third party vendors. TD



Ameritrade may also have paid for business consulting and professional services received by KF's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit KF but may not benefit its client accounts. These products or services may assist KF in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help KF manage and further develop its business enterprise. The benefits received by KF or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, KF endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by KF or its related persons in and of itself creates a potential conflict of interest and may indirectly influence KF's choice of TD Ameritrade for custody and brokerage services.

### **Aspire Financial, American Funds RK Direct, and Protective Life**

KF occasionally uses and recommends other financial companies to help clients meet their goals. These financial companies are only used in certain specific circumstances, as described below.

**Employer-Sponsored Retirement Plans** - Investments and service providers relative to Plan offerings are limited to only those available through the respective Plans and are determined by the Plan Sponsors. That said, we have an Authorized Advisor arrangement with Aspire Financial, LLC ("Aspire") that allows us to receive your information from Aspire and, if you authorize us, to submit information and investment changes to Aspire. For our Employee Benefit Plan services, accounts are custodied at American Funds.

**Investment Only Variable Annuity** - We recommend clients use Protective Life in order to manage low-cost and commission-free variable annuities. These products typically allow us to manage investments or make policy changes with discretion.

### **Aggregating (Block) Trading for Multiple Client Accounts**

When appropriate, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participant accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each

participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however they will not be given preferential treatment.

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

Investment Management clients will have their accounts reviewed regularly on a no less than quarterly basis by Clinton Kane, Founder and CCO. The account is reviewed with regards to the client's investment policies and risk tolerance levels.

Events that may trigger a special review would be unusual performance, addition or deletions of client imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest. KF does provide regular written reports to Investment Management clients in addition to the statements provided by the Custodian. However, Advisor may provide a performance report upon client's request.

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

We do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

KF does not accept custody of Client funds. KF does not hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them. All client assets are held at a qualified custodian.

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

## **Item 16: Investment Discretion**

Investment management and Non ERISA 403(b) plan services clients grant our firm ongoing and continuous discretionary authority to execute our investment recommendations within the client's account held at the Custodian without obtaining the client's prior approval for each specific transaction. In a discretionary arrangement, you authorize us to purchase and sell securities and instruments in your account(s), arrange for delivery and payment in connection with the foregoing, and act on your behalf in all matters necessary or incidental to the handling of the account, including monitoring of your assets. Our discretionary management of your account will be conducted in strict accordance with your investment objectives and suitability.

Hourly Financial planning engagements and Employee Benefit Plan services are non-discretionary in nature. The client always makes the ultimate investment decision and we will not take any action with respect to the client's investments without the client's prior consent.

## **Item 17: Voting Client Securities**

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## **Item 18: Financial Information**

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$1,200 in fees per client six months in advance.



## Kane Financial, LLC

151 West Main Street  
Waterville, NY 13480  
(315) 801-9028

Dated: September 28, 2021

### Form ADV Part 2B – Brochure Supplement

*For*

Clinton P. Kane

Founder, Investment Adviser Representative, and Chief Compliance Officer

This brochure supplement provides information about Clinton Kane that supplements the Kane Financial (“KF”) brochure. A copy of that brochure precedes this supplement. Please contact Clinton Kane if the KF brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Clinton Kane is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 5352683.

## **Item 2: Educational Background and Business Experience**

**Clinton P. Kane**

Born: 1980

### **Educational Background**

2007 – Business Administration, SUNY IT/POLY

### **Business Experience**

- 11/2017 – Present, Kane Financial, LLC, Founder, IAR, CCO
- 04/2012 – 11/2017, Cadaret, Grant & Co., Financial Adviser
- 03/2012 – 11/2017, Strategic Financial, Investment Adviser Representative
- 05/2009 – 02/2012, Commonwealth Financial Network, Financial Adviser
- 08/2007 – 05/2009, Axa Advisors, Associate

## **Item 3: Disciplinary Information**

Clinton Kane has never been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## **Item 4: Other Business Activities**

Clinton Kane does not have other business activities that are investment-related or provide a substantial source of income or time.

## **Item 5: Additional Compensation**

Clinton Kane does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through KF.

## **Item 6: Supervision**

Clinton Kane, as Chief Compliance Officer of KF, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.