

## **Part 2A of Form ADV: *Firm Brochure***

### **Comprehensive Capital Management, Inc.**

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March 30, 2022

This brochure provides information about the qualifications and business practices of Comprehensive Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at 973-394-0404 or [compliance@aurorapw.com](mailto:compliance@aurorapw.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Comprehensive Capital Management, Inc. also is 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. Our firm's CRD number is 119890.

## **Item 2: Material Changes**

In this Item, CCM is required to discuss any material changes that have been made to the brochure since the last annual amendment.

Since the Firm's last annual updating amendment, the Firm has updated some sections of this brochure. Below is a summary of the material changes. Clients should request a full copy of the brochure to see all of the Firm's current disclosures.

- The Firm added "Use of Margin" disclosures.
- The Firm added information regarding consulting fees in Item 5.
- The Firm updated risk of investing in certain types of investments in Item 8.

### Item 3: Table of Contents

Item 2 Material Changes.....	2
Item 3 Table of Contents.....	3
Item 4 Advisory Business.....	4
Item 5 Fees and Compensation.....	9
Item 6 Performance-Based Fees and Side-By-Side Management .....	14
Item 7 Types of Clients .....	14
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	14
Item 9 Disciplinary Information.....	18
Item 10 Other Financial Industry Activities and Affiliations .....	19
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	20
Item 12 Brokerage Practices.....	21
Item 13 Review of Accounts .....	22
Item 14 Client Referrals .....	25
Item 15 Custody .....	25
Item 16 Investment Discretion.....	26
Item 17 Voting Client Securities .....	26
Item 18 Financial Information.....	26

#### Item 4: Advisory Business

Comprehensive Capital Management, Inc. is an investment adviser firm registered with the U.S. Securities and Exchange Commission ("SEC") with its principal place of business located in Rockaway, New Jersey. Comprehensive Capital Management, Inc. began conducting business in 2002. For clarity, we refer to Comprehensive Capital Management, Inc. throughout this brochure as "CCM", the "firm", "our" or "we".

Timothy Liam Smith, President is the firm's principal shareholder (i.e., those individuals and/or entities controlling 25% or more of this company).

Our firm offers services through our network of investment advisor representatives ("Advisor Representatives" or "IARs"). IARs may have their own legal business entities or doing business as (dba) names whose trade names and logos are used for marketing purposes and may appear on marketing materials or client statements. The Client should understand that the businesses may be legal entities of the IAR and not of our firm CCM. The IARs are under the supervision of our firm CCM, and the advisory services of the IAR are provided through our firm, CCM. Our firm CCM has the arrangement described above with the following Advisor Representatives:

<ul style="list-style-type: none"><li>• Harper &amp; Hodge David Hodge, Daniel Hodge, Raymond Harper, Lori Hodge, Zachary Davidson</li></ul>	<ul style="list-style-type: none"><li>• Senior Resources Jeffery Fox</li></ul>
<ul style="list-style-type: none"><li>• AmeriWealth Management Dov Fobar</li></ul>	<ul style="list-style-type: none"><li>• Oberlander Dorfman Mark Dorfman</li></ul>
<ul style="list-style-type: none"><li>• East main Street Advisors Thomas McEvoy</li></ul>	
<ul style="list-style-type: none"><li>• JFL Total Wealth Management, LLC Jerry Lynch</li></ul>	
<ul style="list-style-type: none"><li>• Alan Weingarten</li></ul>	<ul style="list-style-type: none"><li>• Scott Daly</li></ul>

We offer various advisory services to our clients. However, it is important to understand that our firm enables its financial advisors, who are sometimes referred to as investment adviser representatives ("IARs"), to provide customized advice to their clients. These IARs are permitted great latitude in selecting investments, investment strategies and delivering investment advice to our clients, which remains subject to the supervision of our compliance department. Each of the advisory programs that our IARs may use in servicing their clients is described in greater detail below.

Unless otherwise agreed to by us, APW Capital, Inc., a registered broker-dealer and our affiliate, provides brokerage services as the introducing broker-dealer on transactions in the underlying brokerage account of the client's account, and Pershing, LLC acts as custodian and provides execution and clearing services. We also allow clients to hold assets with variable annuity issuers and directly with mutual fund sponsors. Please refer to Item 12 for additional information about these arrangements.

#### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides ongoing 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 and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also

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

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and generally will include advice regarding the following securities:

- Exchange-listed securities
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual funds and exchange-traded funds
- United States governmental securities
- Options contracts on securities
- Structured Products and Structured Notes
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Because some types of investments involve certain additional degrees of risk, they only will be implemented or recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **MODEL PORTFOLIO SERVICES**

Our firm provides both continuous and periodic portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal. Below is more information about the style of the model portfolios that we offer.

(1) Strategic Asset Allocation: allocation of client assets to be selected from among a broad universe of mutual funds/ETFs, asset classes and style categories in accordance with a client's investment objectives;

(2) Tactical Asset Allocation: allocation of client assets among mutual fund/ETF classes with an overlay of technical analysis, i.e. asset management charting software;

(3) Vanguard ETF Strategic Model Portfolios: The Vanguard model portfolios seek to provide broad exposure to U.S. and international equities and global investment-grade taxable bonds in an asset allocation framework. They are designed to manage risk through asset allocation and broad diversification and do not contemplate active management. The portfolios are designed using Vanguard ETFs and potentially mutual funds and money market funds. The portfolios are created by Vanguard's Investment Strategy Group, but we retain the responsibility for portfolio trading and rebalancing, and may ultimately override decisions made by Vanguard.

(4) In addition, through one or more of our IARs, a technical analysis signal program may be offered to and subscribed to by other unaffiliated investment advisers for a fee.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. The timing of reviews and rebalancing activity is driven by your discussions with your IAR and what you agree is appropriate for your investment objectives. We may rebalance the portfolio on an annual, semi-annual or quarterly basis. Alternatively, we may rebalance your account on a more frequent basis based on market conditions or based on the stated percentage of drift in your account from the model.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. Because some types of investments involve certain additional degrees of risk, they only will be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. send periodic written reminders to each Model Portfolio Management Services client requesting any updated information regarding changes in the client's financial situation and investment objectives;
2. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be reasonably available to consult with the client; and
4. maintain client suitability information in each client's file.

## **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides asset management of client funds based on the individual needs of the client on a periodic basis too. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, we review the portfolio at a time agreed upon between the IAR and the client. At that time, a client's IAR will review the portfolio and make any investment recommendations or decisions that he or she determines are appropriate.

Our investment recommendations are not limited to any specific product or service offered by any particular broker-dealer or insurance company. The individual portfolio management service is typical for

advice that we provide to a client's variable annuity or life insurance contract or retirement plan where the client might not require ongoing investment advice.

Because some types of investments involve certain additional degrees of risk, they will be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability, and best interest.

### **RETIREMENT PLAN CONSULTING SERVICES**

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

#### *Investment Policy Statement Preparation (hereinafter referred to as "IPS"):*

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

#### *Selection of Investment Vehicles:*

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) and/or ETFs to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

#### *Monitoring of Investment Performance:*

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

#### *Employee Communications:*

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide periodic educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

### **SELECTION AND MONITORING OF THIRD-PARTY MONEY MANAGERS**

We also offer advisory management services to our clients through our Selection and monitoring of Third-Party Money Managers programs. Third-Party Money Managers currently used include, but are not limited to, SEI Investment Company ("SEI"), AssetMark, Brinker Capital and Morningstar. From time to time, we may offer another manager without updating this list.

Our firm provides the client with an asset allocation strategy developed through personal discussions in

which goals and objectives based on the client's particular circumstances are established. This asset allocation strategy is drafted into the client's Personal Investment Policy Statement ("PIPS").

Based on the client's individual circumstances and needs (as exhibited in the client's PIPS) your IAR will then select a third party manager from an approved list of managers. Your IAR may consider various factors in selecting a third party manager, including their preference for a third party manager, your account size, risk tolerance, the opinion of each client and the investment philosophy of third party manager. Clients should refer to the selected registered investment adviser's Firm Brochure or other disclosure document for a full description of the services offered. We are available to meet with clients on a regular basis, or as determined by the client, to review the account.

Once we select a third-party manager for the client, we provide the selected adviser with the client's PIPS or the client otherwise provides their PIPS to the adviser. The adviser then creates and manages the client's portfolio based on the client's individual needs as exhibited in the PIPS.

We monitor the performance of the selected investment adviser. If we determine that a particular selected adviser is no longer appropriate, or is not managing the client's portfolio in a manner consistent with the client's PIPS, we may suggest that the client contract with a different investment adviser or program sponsor or we may use our discretion to select a new investment adviser. Whether we maintain discretion to select a new investment adviser is outlined in our investment advisory agreement.

## **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive 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. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

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

- **PERSONAL:** We may review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We may analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We may analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We may review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We may analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We may review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We may assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

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

Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### **ACTIVE MANAGEMENT SERVICES**

Comprehensive Capital Management, Inc. provides the management of individual clients' portfolios, rendering advice as to the advisability of moving from one or more mutual funds or ETFs into either a more conservative fund or money market fund (and vice versa) in an attempt to capture gains during rising markets and to preserve the client's capital during falling market periods. Our active management service is of a continuous nature, evaluating holdings and market positions on an ongoing basis.

In order to effectively manage client funds, we generally require that each client provide the firm with discretion.

It is also noted that certain mutual funds allow for telephone switching services. This is perhaps the quickest way in which to effect a transaction on the client's behalf. As such, our firm will offer this service to a client, if the particular mutual fund under active management consideration has provisions for telephone switching privileges. If market conditions were to change rapidly, we are able to assist our clients in achieving the fastest possible response, given the individual circumstances.

Our primary objective is to preserve and increase the aggregate capital funds of any client, although we can make no guarantees of reaching this objective. Clients and prospective clients should review the risk factor in Item 8 under the heading "Market Timing".

### **AMOUNT OF MANAGED ASSETS**

As of December 31, 2022, we were actively managing \$64,143,575 of clients' assets on a discretionary basis plus \$0.00 of clients' assets on a non-discretionary basis.

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

### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from **.25% to 2.95%**. Each of our IARs is generally free to establish their own fee rates within these parameters and is free to negotiate with clients. For more information, see the disclosure below on "Limited Negotiability of Advisory Fees" under the General Information heading.

### **INVESTMENT SUPERVISORY SERVICES MODEL PORTFOLIO MANAGEMENT FEES**

Our annual fees for Model Portfolio Management Services are based upon a percentage of assets under management and generally range from **.25% to 2.95%**. Each of our IARs is generally free to establish

their own fee rates within these parameters and is free to negotiate with clients. For more information, see the disclosure below on "Limited Negotiability of Advisory Fees" under the General Information heading.

### **PORTFOLIO MANAGEMENT SERVICES FEES**

Our annual fees for Portfolio Management Services are based upon a percentage of assets under management and generally range from **.25% to 2.95%**. Each of our IARs is generally free to establish their own fee rates within these parameters and is free to negotiate with clients. For more information, see the disclosure below on "Limited Negotiability of Advisory Fees" under the General Information heading.

Portfolio Management Services may also be charged as a fixed fee, negotiated on a case-by-case basis and as determined by your IAR. Overall factors to be considered will include the IAR's profitability, the type and amount of assets to be managed and the complexity of the client's circumstances. Comprehensive Capital Management, Inc.'s fixed fees will not exceed the maximum allowable percentage rate referenced above.

### **MODEL PORTFOLIO MANAGEMENT FEES**

Our annual fees for Model Portfolio Management Services are based upon a percentage of assets under management and generally range from **.25% to 2.95%**. Each of our IARs is generally free to establish their own fee rates within these parameters and is free to negotiate with clients. For more information, see the disclosure below on "Limited Negotiability of Advisory Fees" under the General Information heading.

Model Portfolio Management Services may also be charged as a fixed fee, negotiated on a case-by-case basis and as determined by your IAR. Overall factors to be considered will include the IAR's profitability, the type and amount of assets to be managed and the complexity of the client's circumstances. Comprehensive Capital Management, Inc.'s fixed fees will not exceed the maximum allowable percentage rate referenced above.

### **PENSION CONSULTING FEES**

We typically charge an annual fee for Pension Consulting Services which ranges from **.25% to 2.95%** of plan assets depending on the services requested and the size of the plan. Each of our IARs is generally free to establish their own fee rates within these parameters and is free to negotiate with clients. For more information, see the disclosure below on "Limited Negotiability of Advisory Fees" under the General Information heading.

Comprehensive Capital Management, Inc. offers several other fee options. Comprehensive Capital Management, Inc. may also agree to be compensated based by an hourly fee or fixed fee. Alternatively, these different types of fees may also be combined as appropriate for the different types of services requested by the client.

Annual asset-based fees are typically determined by reference to the value of the plan at the end of the previous period. Fees are generally not adjusted based on additions and withdrawals during the calendar quarter.

Comprehensive Capital Management, Inc.'s hourly charges may range from \$50 to \$800 per hour and are established by the IAR. A fixed fee may be quoted based on an estimate of hours for the services requested. Comprehensive Capital Management, Inc. may request a retainer for hourly and fixed fee

arrangements. The amount of a requested retainer will never exceed the fee for services to be provided within the first six months of an engagement.

Pension Consulting Services may be charged as a fixed fee, negotiated on a case-by-case basis and as determined by your IAR. Overall factors to be considered will include the services requested and the size of the plan.

Plan sponsors are typically invoiced in advance at the beginning of each calendar quarter or if a fixed fee, pursuant to the schedule in the fixed fee agreement. The client's agreement will also outline the manner of payment.

### **SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS FEES**

Our fee is based on a percentage of the client's managed assets (and we may receive up to 50% of the fee charged by the independent investment adviser, depending on the size of the account), which is included in the independent investment adviser's annual management fee. When we select another adviser to manage your assets, for administrative convenience, we are paid by the independent adviser selected by the client for portfolio management services. Clients are provided with a separate disclosure document describing the fee paid to us by such independent registered investment advisers and the client's agreement will describe the fee paid to the other investment adviser.

### **FINANCIAL PLANNING and Consulting FEES**

Comprehensive Capital Management, Inc.'s Financial Planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances, and will be determined by the client's IAR. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees may be calculated and charged on an hourly basis, ranging from \$50 to \$800 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

Our Financial Planning fees may also be calculated and charged on a fixed fee basis and depend on the specific arrangement reached with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months. The balance is due upon completion of the plan.

***Financial Planning Fee Offset:*** Comprehensive Capital Management, Inc. reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our other services.

The client will typically be billed quarterly in arrears based on actual hours accrued. The client's will also outline the manner of payment.

Consulting fees will have an annual rate not to exceed 2.50% of plan assets. Unless otherwise agreed to, in writing, the Consultant shall debit the Plan account(s) for its fee. The annual fee shall be paid quarterly, in advance, based upon the market value of the Plan's assets on the last day of the preceding quarter. In the alternative, we may charge a fixed fee, which should range between \$1,000 and \$15,000.

## **ACTIVE MANAGEMENT SERVICES FEES**

For these services, Comprehensive Capital Management, Inc. is compensated based on a percentage of assets under management, typically **.25% to 2.95%**. Each of our IARs is generally free to establish their own fee rates within these parameters and is free to negotiate with clients. For more information, see the disclosure below on "Limited Negotiability of Advisory Fees" under the General Information heading.

Our initial fees are payable and due within 30 days of entering into an Investment Advisory contract. On an ongoing basis, our fees are invoiced in advance on a quarterly basis.

### **Use of Margin**

There are times when clients will want to use margin in their accounts or when CCM recommends using margin. The use of margin is not suitable for all investors due to the increased risk. The Firm's investment management fees are assessed net of margin. A conflict of interest exists as the Firm has an incentive to use margin to increase its fees. In addition, having a margin account will incur some associated costs. Clients will be charged margin interest by the custodian on the debit balance in their custodial account. Clients should be aware that if a margin account is opened with Pershing, CCM will receive a portion of the margin fee. This results in another conflict of interest where the Firm is incentivized to use or recommend margin in client accounts.

## **ADDITIONAL COMPENSATION FROM MUTUAL FUNDS**

As described in greater detail in Item 10 below, Comprehensive Capital Management, Inc. is affiliated with APW Capital, Inc., an SEC registered broker-dealer and FINRA member. Rule 12b-1 fees are fees paid by a mutual fund on an ongoing basis from a mutual fund's assets for shareholder services, distribution, and marketing expenses. APW Capital, Inc. is entitled to receive rule 12b-1 fees from accounts held at Pershing LLC based on the recommendation or selection of mutual funds held in clients' accounts. Comprehensive Capital Management, Inc. and its IARs will recommend or select mutual funds that pay rule 12b-1 fees to APW Capital, Inc., including when a less expensive share class is available that does not pay a rule 12b-1 fee. IARs of Comprehensive Capital Management, Inc. may select the more expensive share class for a variety of reasons, including when one of our IARs determines that it is an appropriate decision to avoid paying transaction fees charged to the client.

To eliminate this conflict, Pershing provides each client with a credit in the amount of the rule 12b-1 fees that APW Capital, Inc. receives from mutual funds held in their account. In addition, Comprehensive Capital Management, Inc. has developed and implemented policies and procedures relating to the selection of appropriate share classes for clients and for reviewing and monitoring client holdings.

## **CONFLICT OF INTEREST RELATED TO BROKER-DEALER, INSURANCE AGENCY AND INSURANCE AGENTS**

Management personnel and IARs of our firm are licensed as registered representatives of APW Capital, Inc., a broker-dealer and/or licensed as insurance agents or brokers (including with our affiliated insurance agency, Aurora Insurance Services, Inc.). These individuals are able to implement investment and insurance recommendations for clients for separate compensation (i.e., commissions or other sales-related forms of compensation).

The most common types of securities that are recommended to clients through APW Capital, Inc. are

variable annuities, 529 plans, and mutual funds that are not managed for a fee.

When APW Capital, Inc. acts as a broker-dealer, including when we recommend securities transactions or recommend that you engage us for investment advisory services, APW Capital, Inc. does not act as a “fiduciary” under the federal securities or retirement laws nor as a registered investment adviser. When APW Capital, Inc. acts as broker-dealer, it is subject to the Securities Exchange Act of 1934, the Securities Act of 1933, the rules of the Financial Industry Regulatory Authority (FINRA), and applicable state laws. The standards for broker-dealers under these rules and regulations include a duty to deal fairly with customers, make sure that the commissions and other fees charged to customers are not excessive, and APW Capital, Inc. must have a reasonable basis for believing that any securities recommendations it makes to you is in your best interest, given your individual financial circumstances, needs and goals.

APW Capital, Inc. generally compensates your IAR on the revenue that he or she generates, and therefore, your IAR and CCM, have an incentive to recommend strategies, products and services that generate more overall compensation. We address this conflict by disclosing it to you.

CCM IARs may enter into an agreement with a client to manage the subaccounts of a variable annuity that they own. IARs are limited to selecting the investment options that are available through the variable annuity contract. The broker-dealer and their supervised person, including IARs, who recommended the variable annuity receive sales charges or commissions from recommending variable annuities. This practice presents a conflict of interest, because IARs are incentivized to recommend variable annuities and the management of the subaccounts to receive the sales charge or commission from the sale of the variable annuity through APW Capital, Inc. and the advisory fee from CCM for managing the subaccounts. The sale of the variable annuity and the management of the subaccounts are separate and distinct services.

The fees that APW Capital, Inc. receives if you purchase a variable annuity recommended by it are outlined in the prospectus and a substantial portion of those fees are paid to the IAR.

We mitigate this conflict of interest with internal policies and procedures that prohibit the sale of new variable annuity contracts for a commission through APW Capital, Inc. where CCM also receives a fee for managing the subaccounts and disclosing this practice to clients and prospective clients so that they are aware of the practice and can make informed decisions.

There are also variable annuity contracts that are available without sales charges and commissions that may provide the same or similar benefits that would not provide APW Capital, Inc. or the IAR with any sales charge or commission compensation.

Clients have the option to purchase investment products that their IARs recommend through other unaffiliated broker-dealers and insurance agents. The implementation of any or all recommendations to purchase securities on a commission-basis is solely at the discretion of the client.

As described below under the heading of “Additional Fees and Expenses”, accounts held at Pershing are subject to normal and customary transaction fees, and client’s advisory fees are not reduced or offset based on APW Capital, Inc.’s receipt of this compensation. This results in a number of conflicts of interest, including an incentive to recommend that client’s open non-advisory brokerage accounts and for IARs (in their capacity as registered representatives of APW Capital) to recommend more frequent transactions that result in additional compensation.

## GENERAL INFORMATION

***IAR Ability to Determine Fees:*** Comprehensive Capital Management, Inc. has established the aforementioned fee ranges, but each IAR retains the discretion to set and negotiate fees on a client-by-client basis. IAR profitability and client facts, circumstances and needs will be considered in determining a specific client's fee schedule. These include the complexity of the client; assets to be placed under management; anticipated future additional assets; related accounts; portfolio style; account composition; and reports, among other factors. The specific fee will be identified in the contract between the adviser and each client.

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

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm. All of our fees may be waived in whole or in part, at our discretion and the discretion of our IARs.

***Termination of the Advisory Relationship:*** A client agreement may be terminated at any time, by either party, for any reason upon written notice. While certain historic agreements that Comprehensive Capital Management, Inc. has entered contain more restrictive termination provisions, until Comprehensive Capital Management, Inc. and the client have had an opportunity to amend those agreements or enter into new agreements, Comprehensive Capital Management, Inc. intends on waiving those more restrictive provisions.

As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

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

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

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). For example, our affiliate, APW Capital, Inc., charges commissions on

the purchase and sale of securities as an introducing broker-dealer for accounts maintained at Pershing LLC. In addition, APW Capital, Inc. charges other fees and expenses associated with maintaining a brokerage account. These fees and expenses can be found at <https://www.aurorapw.com/fees.php>. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees. Also, some Third-Party Money Managers to whom we refer clients, bill in arrears on a quarterly basis.

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

Comprehensive Capital Management, Inc. does not charge performance-based fees.

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

Comprehensive Capital Management, Inc. provides advisory services to the following types of clients:

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

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

##### **METHODS OF ANALYSIS**

Our IARs use the following methods of analysis in formulating their investment advice.

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

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

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

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

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

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

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

*Mutual Fund and/or ETF Analysis.* The Firm looks at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. The Firm also looks at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio.

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

*Independent Manager Analysis.* The Firm examines the experience, expertise, investment philosophies, and past performance of Independent Managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. The Firm monitors the Independent Manager's underlying holdings, strategies, concentrations and leverage as part of the Firm's overall periodic risk assessment. Additionally, as part of the Firm's due diligence process, the Firm surveys the Independent Manager's compliance and business enterprise risks.

A risk of investing with an Independent Manager who has been successful in the past is that it may not be able to replicate that success in the future.

In addition, as the Firm does not control the underlying investments in an Independent Manager's portfolio, there is also a risk that the Independent Manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for the Firm's clients. Moreover, as the Firm does not control the Independent Manager's daily business and compliance operations, the Firm may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

*Risks for all forms of analysis.* The Firm's securities analysis methods rely on the assumption that the companies whose securities the Firm purchases and sells, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While the Firm is alert to indications that

data may be incorrect, there is always a risk that the Firm's analysis may be compromised by inaccurate or misleading information.

## Investment Strategies

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

*Long-term purchases.* The Firm purchases securities with the idea of holding them in the client's account for a year or longer. Typically, the Firm employs this strategy when:

- ☐ it believes the securities to be currently undervalued, and/or
- ☐ it wants exposure to a particular asset class over time, regardless of the current projection for this class.

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

*Short-term purchases.* When utilizing this strategy, the Firm purchases securities with the idea of selling them within a relatively short time (typically a year or less). The Firm does this in an attempt to take advantage of conditions that it believes will soon result in a price swing in the securities it purchases.

*Margin transactions.* The Firm will purchase stocks for a client's portfolio with money borrowed from the client's brokerage account. This allows the client to purchase more stock than the client would be able to with available cash and allows the Firm to purchase stock without selling other holdings.

*Option writing.* The Firm may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

Two principal types of options are calls and puts:

- ☐ A call gives the Firm the right to buy an asset at a certain price within a specific period of time. The Firm will buy a call if it has determined that the stock may increase substantially before the option expires.
- ☐ A put gives the holder the right to sell an asset at a certain price within a specific period of time. The Firm will buy a put if it has determined that the price of the stock may fall before the option expires.

The Firm may use options to speculate on the possibility of a sharp price swing. The Firm may also use options to "hedge" a purchase of the underlying security. In other words, The Firm may use an option purchase to limit the potential upside and downside of a security the Firm has purchased for a client's portfolio.

The Firm may use "covered calls", in which it sells an option on security a client owns. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price.

The Firm may use a "spreading strategy", in which it purchases two or more option contracts (for example, a call option that a client buys and a call option that the client sells) for the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time and other factors.

Certain of our IARs may use strategies that involve market timing, which generally involves looking at technical factors or trends in the market to predict when to enter or exit the market or increase allocations to equity positions. These strategies typically rely on investment signals provided by third parties but could be determined by one of our IARs. These strategies will not always, and may never, enter and exit the market at the most favorable price in the particular price trend or other pattern being traded. Incorrect signals or investment decisions may cause clients to exit the market when prices continue to rise or miss out on re-entry into the market and cause them to avoid market gains or both. There is no guarantee that any market timing strategy will perform as planned. In addition, these strategies may involve higher than average trading, which will cause clients to incur transaction fees. Trading fees can reduce the amount of clients' overall investment.

These strategies at times will involve high cash and cash-equivalent holdings in your account. Certain strategies undertaken by IARs involve investing a client's portfolio either fully or partially in one or more securities, and depending on actual or perceived market factors, selling all or part of those securities and maintaining a portfolio that is either fully or partially invested in cash or cash-equivalent positions. The specific details of client's IARs approach may vary and clients should discuss the details of the strategy with their IAR. Depending on the IAR's strategy, a client's portfolio may remain in cash or cash-equivalent positions for extended periods. Because this is part of the intended strategy, the client's account will continue to be subjected to advisory fees outlined above even at times when the portfolio is invested in cash or cash-equivalent positions. Clients will receive periodic account statements reflecting their portfolio's allocation. After a review of any account statement, if client no longer desire for their portfolio to be invested in cash or cash-equivalent positions, the client should discuss their preference with their IAR and the parties can mutually agree on a different investment strategy.

## **Risk of Loss**

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The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

### *Market Risks*

The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

### *Inflation Risk*

When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

### *Currency Risk*

Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

### *Interest Rate Risks*

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by clients.

### *Reinvestment Risk*

This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

### *Business Risk*

These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

### *Liquidity Risk*

Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

### *Financial Risk*

Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

### *Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

#### *Equity-Related Securities and Instruments*

The Firm may take long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

#### *Fixed Income Securities*

While the Firm emphasizes risk-averse management and capital preservation in its fixed-income bond portfolios, clients who invest in this product can lose money, including losing a portion of their original investment. The prices of the securities in our portfolios fluctuate. The Firm does not guarantee any particular level of performance. Below is a representative list of the types of risks clients should consider before investing in this product.

- Interest rate risk. Prices of bonds tend to move in the opposite direction to interest rate changes. Typically, a rise in interest rates will negatively affect bond prices. The longer the duration and average maturity of a portfolio, the greater the likely reaction to interest rate moves.
- Credit (or default) risk. A bond's price will generally fall if the issuer fails to make a scheduled interest or principal payment, if the credit rating of the security is downgraded, or if the perceived creditworthiness of the issuer deteriorates.
- Liquidity risk. Sectors of the bond market can experience a sudden downturn in trading activity. When there is little or no trading activity in a security, it can be difficult to sell the security at or near its perceived value. In such a market, bond prices may fall.
- Call risk. Some bonds give the issuer the option to call or redeem the bond before the maturity date. If an issuer calls a bond when interest rates are declining, the proceeds may have to be reinvested at a lower yield. During periods of market illiquidity or rising rates, prices of callable securities may be subject to increased volatility.
- Prepayment risk. When interest rates fall, the principal of mortgage-backed securities may be prepaid. These prepayments can reduce the portfolio's yield because proceeds may have to be reinvested at a lower yield.

- Extension risk. When interest rates rise or there is a lack of refinancing opportunities, prepayments of mortgage-backed securities or callable bonds may be less than expected. This would lengthen the portfolio's duration and average maturity and increase its sensitivity to rising rates and its potential for price declines.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Use of Independent Managers*

As stated above, AURORA selects certain Independent Managers to manage a portion of its clients' assets. In these situations, AURORA continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, AURORA does not have the ability to supervise the Independent Managers on a day-to-day basis.

### *Options*

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the

respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

#### *Use of Margin*

While the use of margin borrowing for investments can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

Material risks associated with the methods of analysis and investment strategies used include actual company specific or market events that may contradict assumptions at the time a security was chosen, and/or a security's actual performance that may not follow trends previously identified in the analysis conducted. Any performance quoted represents past performance, is no guarantee of future results, and will not provide an adequate basis for evaluating the performance of the product over varying market conditions or economic cycles. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

### **Item 9: Disciplinary Information**

#### Pennsylvania Department of Banking and Securities

On August 7, 2013, Comprehensive Capital Management, Inc. entered into a Consent Agreement and Order with the Pennsylvania Department of Banking and Securities, based upon Comprehensive Capital Management, Inc.'s failure to register at least one investment adviser representative in the Commonwealth of Pennsylvania before transacting business there between April 2010 and September 2012. Comprehensive Capital Management, Inc. voluntarily paid an administrative assessment to resolve the matter.

#### Securities and Exchange Commission

##### Timothy Roth

Timothy J. Roth ("Roth") is a former registered representative with a broker-dealer that was affiliated with Comprehensive Capital Management, Inc. and also an IAR of Comprehensive Capital Management, Inc. On February 28, 2011, immediately upon learning that Roth misappropriated funds belonging to Comprehensive Capital Management, Inc.'s clients, Comprehensive Capital Management, Inc. terminated its relationship with Roth and notified law enforcement. Roth eventually pled guilty to mail fraud and money laundering and was sentenced to prison and restitution. Comprehensive Capital Management, Inc. also terminated its relationship with its former Chief Compliance Officer for failure to monitor Roth and his activities.

Effective July 29, 2013, the Securities and Exchange Commission ("SEC") issued an "Order Instituting Administrative Cease-And-Desist Proceedings, Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-

And-Desist Order” (the “Order”) against Comprehensive Capital Management, Inc.

The Order indicates that Comprehensive Capital Management, Inc. violated several sections of the Investment Advisers Act of 1940 and the rules promulgated thereunder, which violations are all based upon or related to Roth’s fraudulent actions and/or the former Chief Compliance Officer’s failure to supervise Roth. As part of the Order, Comprehensive Capital Management, Inc. voluntarily agreed to submit to an examination by an independent compliance consultant and to cooperate with any suggested remedial measures suggested by either the independent compliance consultant or the SEC. Comprehensive Capital Management, Inc. was also censured and required to pay a civil penalty as a result.

#### Share Class Selection Disclosure Initiative

In September 2019, CCM submitted an Offer of Settlement in response to the SEC’s Share Class Selection Disclosure Initiative. This came because CCM self-reported certain disclosure issues to the staff of the SEC. Without admitting or denying the findings, CCM consented to cease and desist from committing or causing any violations and future violations of Section 206(2) of the Advisers Act, was censured, and agreed to pay disgorgement to impacted clients.

#### Securities and Exchange Commission

In January 2022, without admitting or denying the SEC’s findings, CCM settled with the SEC and consented to an order finding that CCM violated Sections 204(a), 206(2), and 206(4) of the Advisers Act and Rules 204-2(a)(8) and 206(4)-7, a censure, disgorgement with interest, and a civil penalty. CCM also agreed to notify certain affected investors and to retain an independent compliance consultant.

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

Management personnel and IARs of Comprehensive Capital Management, Inc. may be licensed as registered representatives of APW Capital, Inc., an affiliate broker-dealer. These individuals can effect securities transactions on a commission basis for which they will receive separate, yet customary compensation. Please refer to the “Conflict Of Interest Related To Broker-Dealer, Insurance Agency And Insurance Agents” section in Item 5 for additional information about the conflicts of interests that this relationship creates and how we seek to mitigate them. In addition, APW Capital, Inc. charges commissions on the purchase and sale of securities as an introducing broker-dealer for accounts maintained at Pershing LLC. Please refer to the "Additional Fees and Expenses" section in Item 5 of this Form ADV for additional information.

Management personnel of our firm and IARs, in their individual capacities, may be agents for various insurance companies, including Aurora Insurance Services, Inc. (“AIS”), a licensed insurance producer (agency), which is currently licensed to sell life, accident, health, sickness and variable insurance. Aurora Insurance Services, Inc. is under common control with us. As such, these individuals and AIS are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals or AIS when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Clients should be aware that the receipt of additional compensation by IARs and/or AIS creates a conflict of interest that affects the objectivity of our IARs when making advisory recommendations. Comprehensive Capital Management, Inc. seeks to mitigate this conflict of interest by taking the following steps:

- IARs do not receive any portion of the commission compensation received by APW Capital arising from the IAR's management of advisory accounts, although IARs may receive compensation for the sale of a variable annuity. Comprehensive Capital Management and APW Capital's CEO stands to receive profit distributions from APW Capital, if any, independent of his role as an IAR;
- we disclose to clients material conflicts of interest, including the potential for our firm, our affiliates and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment or insurance products on a commission-basis from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all commission-based recommendations of securities made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the need for having a reasonable and independent basis for the investment advice provided to clients.

Comprehensive Capital Management, Inc. is under common control with Aurora Private Wealth, Inc., an SEC-registered investment adviser. Certain IARs of Comprehensive Capital Management also serve in the same or similar capacity for Aurora.

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

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

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

Our Code of Ethics includes policies and procedures that address principles governing personal investment activities of supervised persons whereby the interests of client accounts will generally be placed first. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering.

Our code also provides for oversight, enforcement and recordkeeping provisions.

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

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [tonya@aurorapw.com](mailto:tonya@aurorapw.com), or by calling us at 973-394-0404.

Comprehensive Capital Management, Inc. and individuals associated with our firm are prohibited from engaging in principal transactions.

Comprehensive Capital Management, Inc. and individuals associated with our firm are generally prohibited from engaging in agency cross transactions. Only in situations where this action is deemed to be in the best interest of both parties will it be allowed; and only when written affirmative consent for a specific cross transaction is received from the relevant parties.

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

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

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

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm may be separately registered as securities representatives of APW Capital, Inc. a broker-dealer. Related persons may also be investment adviser representatives of another registered investment adviser, and licensed as an independent insurance agent/broker of various insurance companies. Please refer to Item 10 and 5 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12: Brokerage Practices**

As described above in Item 4, unless otherwise agreed to by us, APW Capital, Inc., a registered broker-dealer and our affiliate, provides brokerage services as the introducing broker-dealer on transactions in the underlying brokerage account of the client's account, and Pershing, LLC acts as custodian and provides execution and clearing services.

The requirement to use APW Capital, Inc. and Pershing is based on our decision that we can provide efficient and cost-effective services through our affiliated broker-dealer. However, the use of an affiliated broker-dealer is an inherent conflict of interest between Comprehensive Capital Management, Inc. and its clients because requiring our clients to use APW Capital, Inc. as their broker-dealer allows us to earn additional compensation that we would not otherwise, which is described in Item 5 above. Clients should understand that not all investment advisers require the use of a particular broker-dealer or require the use of a broker-dealer that is affiliated with the investment adviser.

The requirement to use Pershing (which is not affiliated with Comprehensive Capital Management, Inc. or APW Capital, Inc.) is based on the fact that APW Capital, Inc. has established a clearing agreement with Pershing as its preferred clearing broker-dealer and qualified custodian. Because Comprehensive Capital Management, Inc. and APW Capital, Inc. are under common ownership, the decision to use Pershing was mutually determined by both parties. There are some investment advisers that permit the use of multiple broker-dealers and permit clients to select the broker-dealer. We have considered the positive factors to this approach which include the ability to better negotiate brokerage costs such as transaction fees, the ability to better analyze speed of execution, and the ability to compare and negotiate

services. However, we have determined that the use of the preferred brokerage platform (APW Capital, Inc./Pershing) allows us to provide more streamlined operational and trading services. We consider the fact that allowing multiple brokerage arrangements would increase the need for additional internal staff and technology which may increase the overall fees charged to clients. By selecting this preferred brokerage platform, Comprehensive Capital Management, Inc. is able to avoid additional compliance, recordkeeping, staffing, and technological costs that may be associated with implementing procedures designed to work with multiple brokerage platforms. Considering all factors in relation to our structure and capacities, we have concluded that requiring the preferred brokerage platform (APW Capital, Inc./Pershing) is a better policy than permitting multiple brokerage arrangements including client directed brokerage arrangements. However, we do have the discretion and ability to provide advisory services for assets held with other custodians. Considering Comprehensive Capital Management, Inc. generally requires its clients to use the brokerage services of APW Capital, Inc. and Pershing, it may not be able to achieve the most favorable execution of client transactions and therefore our practice of requiring the use of APW Capital, Inc./Pershing may cost clients more money compared to advisory programs offered by other investment advisers. While clients may be able to attain brokerage services with lower costs and expenses, clients should be aware of some of the qualitative factors Comprehensive Capital Management, Inc. considers for selecting APW Capital, Inc./Pershing as its required brokerage platform. These factors include, but are not necessarily limited to, being able to rely on the internal staff of APW Capital, Inc. to provide operations, trading, and other services. Pershing is able to provide numerous specialized service groups and a Client Service Manager who is dedicated to servicing our accounts. Their back-office system generates exception reports designed to monitor all aspects of brokerage accounts, including trading, money movement, transfers, and client account data. Client paperwork is processed through a secure electronic workflow and storage system. Pershing's electronic trading platform provides a real-time order matching system, ability to "block" client trades, investment research tools, automated rebalancing, account balance and position information, and access to mutual fund families, many of which have no transaction fees. Clients may access their account information over the internet, including balances, transactions, positions, statements, confirmations, and tax documents.

Certain of the support services and products that Comprehensive Capital Management, Inc. and APW Capital, Inc. receive may assist in managing and administering client accounts. Others assist them to manage and further develop their business enterprise.

### **Block Trading:**

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

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

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

#### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are monitored periodically by IARs, these accounts are reviewed at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines.

More frequent reviews maybe triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Accounts reviews are performed by a client's IAR or IARs subject to supervision from our compliance department.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from Pershing LLC or their respective custodian, and we can make available online access to quarterly reports summarizing account performance, balances and holdings.

### **INVESTMENT SUPERVISORY SERVICES MODEL PORTFOLIO MANAGEMENT SERVICE**

**REVIEWS:** While the underlying securities within Model Portfolio Management Services accounts are periodically monitored by IARs, these accounts are reviewed at least annually. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Accounts reviews are performed by a client's IAR or IARs subject to supervision from our compliance department.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from Pershing LLC or their respective broker-dealer, we provide online access to quarterly reports summarizing account performance, balances and holdings. These reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

### **PORTFOLIO MANAGEMENT SERVICES**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are monitored periodically by IARs, these accounts are reviewed at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Accounts reviews are performed by a client's IAR or IARs subject to supervision from our compliance department.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from Pershing LLC or their respective custodian, Comprehensive Capital Management, Inc. will provide online access to quarterly reports summarizing account performance, balances and holdings.

### **MODEL PORTFOLIO MANAGEMENT SERVICES**

**REVIEWS:** While the underlying securities within Model Portfolio Management Services accounts are monitored periodically by IARs, these accounts are reviewed at least annually. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Accounts reviews are performed by a client's IAR or IARs subject to supervision from our compliance department.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that Model Portfolio Management Services clients receive from Pershing LLC or their respective custodian, Comprehensive Capital Management, Inc. will provide annual reports summarizing account performance, balances and holdings. These reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

### **PENSION CONSULTING SERVICES**

**REVIEWS:** Comprehensive Capital Management, Inc. will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Comprehensive Capital Management, Inc. will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly.

Accounts reviews are performed by a client's IAR or IARs subject to supervision from our compliance department.

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory relationship.

### **SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS**

**REVIEWS:** These client accounts should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment adviser.

Comprehensive Capital Management, Inc. will provide reviews on an annual basis or as contracted for at the inception of the advisory relationship.

Accounts reviews are performed by a client's IAR or IARs subject to supervision from our compliance department.

**REPORTS:** These clients should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent registered investment adviser.

Comprehensive Capital Management, Inc. does not typically provide reports in addition to those provided by the independent registered investment adviser selected to manage the client's assets.

### **FINANCIAL PLANNING SERVICES**

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

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

### **ACTIVE MANAGEMENT SERVICES**

**REVIEWS:** Due to the nature of this service, in which your IAR evaluates and monitors the holdings, our

account reviews are frequent and regular. In addition, these accounts are comprehensively reviewed at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines.

Accounts reviews are performed by a client's IAR or IARs subject to supervision from our compliance department through annual reviews to ensure that investment selections are appropriate for stated objectives and risk tolerance.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from Pershing LLC or their respective custodian, we can make available online access to quarterly reports summarizing account performance, balances and holdings, except in cases where the securities used do not provide us with electronic information access.

#### **Item 14: Client Referrals**

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

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

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral. However, because our IARs generally negotiate their advisory fees with clients, a client introduced by a Solicitor may pay more than other clients of the firm. However, in most instances, they will pay the same rate as other clients being serviced by that IAR.

#### **Item 15: Custody**

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

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct your broker dealer, bank or other qualified custodian, e.g., Pershing, (collectively called "custodian") to deduct our advisory fees directly from your account. Your custodian, however, maintains actual custody of your assets. Our firm does not have physical custody of client accounts. The Firm is involved in processing "Standing Letters of Authorization" for clients with assets held at the custodian. By virtue of this, the Firm is deemed to have custody of these assets.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Comprehensive Capital Management,

Inc. 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.

Any other custody disclosures can be found in the Firm's Form ADV Part I.

#### **Item 16: Investment Discretion**

##### **INVESTMENT DISCRETION**

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

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

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell; and/or
- Hiring and firing Third-Party Money Managers

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and

may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

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

##### **VOTING CLIENT SECURITIES**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

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

#### **Item 18: Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Comprehensive Capital Management, Inc. has no additional financial circumstances to report.

Comprehensive Capital Management, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.