

## Item 1: Cover Page

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

March 2, 2023

#### **Keidan Financial Consultants, LLC**

SEC File No. 801-57002

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This brochure provides information about the qualifications and business practices of Keidan Financial Consultants, LLC. If you have any questions about the contents of this brochure, please contact us at 614-469-5003 or [admin@keidanfinancial.com](mailto:admin@keidanfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any State securities authority. Registration with the SEC or any State regulatory authority does not imply a certain level of skill or expertise.

Additional information about Keidan Financial Consultants, LLC, is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary. At this time there are no material changes.

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## Item 4: Advisory Business

### A. Keidan Financial Consultants, LLC

Keidan Financial Consultants, LLC ("Keidan Financial" and/or "the firm"), established in 1999, is organized as an Ohio limited liability company. Robert S. Keidan is President of the firm and holds 100 percent ownership. Mr. Keidan has been in the Investment Advisory business since 1983.

### B. Advisory Services Offered

Keidan Financial provides investment supervisory services to individuals, pension plans, and trusts. The firm's primary service is managing investment portfolios on behalf of clients. It also provides comprehensive financial planning services for clients, including furnishing advice to clients on matters not involving securities.

#### Investment Management

Keidan Financial provides ongoing, discretionary and non-discretionary investment management services to clients. This service consists of an assessment of the client's goals and risk tolerance, preparation of an investment plan based on the client's goals and constraints, execution of trades in accordance with the investment plan, ongoing management of the investment portfolio, quarterly reporting of portfolio positions and performance and a review with the client of the portfolio and reassessment of goals and risk tolerance at least annually. The investment choices offered consist primarily of open-end mutual funds, exchange traded funds, and corporate and government bonds. The client may ask to be excluded from certain asset categories, for example international or real estate exposure. As well as, instructing the Firm to purchase certain stock positions or socially responsible funds.

The Investment Management Service of Keidan Financial serves clients who would like to have investment guidance and recommendations with active and broad investment choices. The service provided includes:

- Helping the advisory client to set goals
- Creating an asset diversification model based on the client's
  - Risk tolerance
  - Time horizon
  - Tax status
  - Goals and objectives
- Assisting in selecting appropriate investments by
  - Matching investments to goals
  - Identifying the risks associated with each option
  - Providing published reports and ratings
  - Providing the track record of options recommended

- Disclosure of implementation costs and management fees
- Implementing client's investment decisions
  - Client makes all investment decisions
  - Mutual funds, no load, or NAV (net asset value) through Royal Alliance
  - Other investments at the client's discretion
- Monitoring and tracking of investments
  - Quarterly tracking of all funds
  - Monitoring of market conditions
- Reporting process
  - Quarterly reporting
  - Includes all investments
  - Comparison of values with previous report
  - Recommendations for adjustments consistent with investment goals

#### **Vision2020 Wealth Management Platform – Advisor Managed Portfolios Program**

The Wealth Management Platform – Advisor Managed Portfolios Program ("Advisor Managed Portfolios") provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing, and custodial services through Pershing, LLC ("Pershing").

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you.

Portfolios may consist of various securities as detailed in Item 8 of this brochure. Each portfolio is designed to meet your individual needs, stated goals, and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

#### **Financial Planning**

Keidan Financial offers financial planning services which involve providing advice to clients on matters such as cash flow and budgeting, retirement planning, insurance and risk management needs analysis, estate planning strategies and tax planning. The plan may include retirement analysis, college education needs analysis, tax analysis, estate analysis, appropriate alternatives and any other solutions which may be indicated and necessary in order to meet the identified needs. The firm does not analyze property and casualty or health insurance.

### **C. Client-Tailored Services and Client-Imposed Restrictions**

Clients' accounts will be managed on the basis of their financial situation and investment objectives, and in accordance with any reasonable restrictions they have imposed on the management of their accounts—for example, restricting the type or amount of security to be purchased in the portfolio.

### **D. Wrap Fee Programs**

Keidan Financial does not participate in wrap fee programs. (Wrap fee programs offer services for one all-inclusive fee.)

### **E. Client Assets Under Management**

As of December 31, 2022, Keidan Financial has \$327,968,365 of discretionary assets under management, and \$56,860,247 of non-discretionary assets.

## Item 5: Fees and Compensation

### A. Methods of Compensation and Fee Schedule

#### Investment Management Fees

Client may choose investment management services where investments are made in no-load mutual funds. The client's investment portfolio will be designed and monitored based on the individual needs of the client. Fees are negotiable and billed as a percentage of assets under management. Management fees are assessed using the following schedule:

<u>Assets Under Management</u>	<u>Annualized Fee</u>
Up to \$500,000	1.00%
Next \$500,001 to \$1,000,000	0.75%
Next \$1,000,001 to \$2,000,000	0.5%
Next \$2,000,001+	0.25%

The fee schedule is graduated so more than one fee rate may apply to the account based on the value of the account at fee calculation. Client accounts from one household may be consolidated to get an aggregation of account values for fee calculations. Client's asset management fee is based on an aggregate value of all accounts within the established household. Fees will be invoiced in arrears as of the last business day of the quarter. Client must have the fee deducted from his/her account. Client will receive an invoice and be charged quarterly based on the account balance at that time. No advisory fee shall be based upon capital gains or capital appreciation of the assets. In addition to the Keidan Financial's management fee, the client will indirectly – through the fund's expense ratio – pay a management fee to the funds in which they are invested. This concept is known as "layering."

Because mutual funds pay advisory fees to their investment advisers and such fees are therefore indirectly charged to all holders of mutual fund shares, clients with mutual funds in their portfolios are effectively paying both the firm and the mutual fund adviser for the management of their assets. Clients who place mutual fund shares under the firm's management are therefore subject to both the firm's direct management fee and the indirect management fee of the mutual fund's adviser.

The client authorizes the qualified custodian to automatically deduct the fee and all other charges payable hereunder from the assets in the account when due, with such payments to be reflected on the next account statement sent to the client.

A client investment advisory agreement may be canceled at any time by the client upon written notice, or by Keidan Financial with 30 days' prior written notice to the client. Upon termination, any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

### **Financial Planning Fee Schedule**

The financial planning accounts will have an annual monitoring fee for review services based on the complexity of the case as well as upon asset size. All fees are negotiable. The fees for this service typically range between \$500 and \$15,000 for the flat-fee arrangements dependent on the extent and complexity of the services provided. The agreed upon fee will be stated on the client contract. Client will be invoiced for services completed. Under no circumstances will Keidan Financial require prepayment of more than \$1,200 in fees per client and more than six months in advance.

Should client retain Keidan Financial for financial planning advice, the firm's fee is based on how many components of the financial plan may ultimately be required, i.e. retirement, college education, as well as being based upon the degree of involvement necessary. Advisor will negotiate the specific fee with the client during the initial data gathering meeting. These services would be provided as part of either a mutually agreed upon flat-fee or an hourly financial planning arrangement between client and advisor. The hourly billable rate is \$200 per hour for hourly arrangements. Fees for this service would be billed in two installments, one half on client's retention of advisor and the remaining half on delivery of the financial planning analysis to the client or as otherwise agreed by Keidan Financial and the client.

A client investment advisory agreement may be canceled at any time by the client upon written notice, or by Keidan Financial with 30 days' prior written notice to the client. A refund of any unearned fees will be made based on the time and effort expended by the firm. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement. If client terminates the contract prior to delivery of the financial planning analysis, the adviser will calculate the bill based on the \$200 hourly rate and will refund to the client any retainer amount in excess of billable amount within 30 days of the contract termination.

## **B. Client Payment of Fees**

### **Payment of Asset-Based Fees**

Keidan Financial will deduct advisory fees directly from the client's account provided that (i) the client provides written authorization to the qualified custodian, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account.

The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation. In the event of termination, all unearned, prepaid fees will be promptly refunded to the client.

### **Payment of Financial Planning Fees**

For fixed fee arrangements, client may choose to have the fee deducted from his/her assets or may opt for direct billing. For hourly fee arrangements, clients will be billed in two installments, one half on client's retention of advisor and the remaining half on delivery of the financial



planning analysis to the client. Under no circumstances will Keidan Financial require prepayment of more than \$1,200 in fees per client and more than six months in advance. Any unearned or unapplied fee shall be refunded within 30 days by applicant to the client.

### **C. Additional Client Fees Charged**

The fees charged by Keidan Financial do not include fees charged by any exchange-traded fund, mutual fund, pooled investment vehicle, or any broker-dealer or custodian selected by the client. The management fees for pooled investment vehicles are disclosed in their confidential offering memoranda and applicable subscription documents or, in the case of an exchange-traded fund or mutual fund, in the respective fund's prospectus. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, the client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using Keidan Financial may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian. Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices.

Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees, after the statutory section authorizing such payments. These 12b-1 fees come from fund assets, and thus indirectly the client's assets. These 12b-1 fees may be paid to ROYAL and be partially re-allowed to the applicant or the applicant's associated persons. The receipt of these fees represents an incentive to purchase funds with 12b-1 fees or higher 12b-1 fees over those with no lower fees. Other fees that client may incur are annual IRA maintenance fees and ticket charges for those mutual funds that are not on the "no transaction fee" (NTF) list.

### **D. Prepayment of Client Fees**

Keidan Financial does not require the prepayment of its investment advisory fees. Keidan Financial's fees will either be paid directly by the client or disbursed to Keidan Financial by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account.

Financial planning fees will be billed in two installments, one half on client's retention of advisor and the remaining half on delivery of the financial planning analysis to the client.

A client agreement may be canceled at any time by the client upon written notice, or by Keidan Financial with 30 days' prior written notice to the client. Upon termination of any account any unearned, prepaid fees will be promptly refunded and any earned, unpaid fees will be due and payable.

## **E. External Compensation for the Sale of Securities to Clients**

Keidan Financial's advisory professionals are compensated primarily through a salary and bonus structure. Keidan Financial's advisory professionals may be paid sales, service, or administrative fees for the sale of mutual funds or other investment products. Keidan Financial's advisory professionals may receive commission-based compensation for the sale of securities and insurance products. Investment adviser representatives, in their capacity as a Royal Alliance registered representative, are prohibited from earning an advisory fee on the securities value transferred from an advisory client's Royal Alliance brokerage account unless commissions earned on such securities transactions occurred at least a 12–18 months prior to the transfer. Please see Item 10.C. for detailed information and conflicts and interest.

Royal Alliance offers our advisory representatives educational, training and incentive programs for those advisory representatives that meet certain production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account. While our security sales are reviewed for suitability by an appointed supervisor, you are encouraged to ask us about any conflict you think may exist.

## **F. Important Disclosure – Custodian Investment Programs**

Please be advised that certain of the firm's investment adviser representatives are registered with a broker-dealer and/or the firm is a broker-dealer or affiliated with a broker-dealer. Under these arrangements, we can access certain investment programs offered through the broker-dealer that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. As such, the investment adviser representative and/or the firm may have an economic incentive to recommend the purchase of 12b-1 or revenue share class mutual funds offered through the broker-dealer platform rather than from the investment adviser platform.

The firm utilizes certain custodians/broker-dealers. Under these arrangements we can access certain investment programs offered through such custodian(s) that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please note the following:

***Limitation on Mutual Fund Universe for Custodian Investment Programs:*** Please note that as a matter of policy we prohibit the receipt of revenue share fees from any mutual funds utilized for our advisory clients' portfolios. There are certain programs in which we participate where a client's investment options may be limited in certain of these programs to those mutual funds and/or mutual fund share classes that pay 12b-1 fees and other revenue sharing fee payments, and the client should be aware that the firm is not selecting from among all mutual funds available in the marketplace when recommending mutual funds to the client.

***Conflict Between Revenue Share Class (12b-1) and Non-Revenue Share Class Mutual Funds:*** Revenue share class/12b-1 fees are deducted from the net asset value of the mutual fund and generally, all things being equal, cause the fund to earn lower rates of return than those mutual funds that do not pay revenue sharing fees. The client is under no obligation to utilize such

programs or mutual funds. Although many factors will influence the type of fund to be used, the client should discuss with their investment adviser representative whether a share class from a comparable mutual fund with a more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees given the client's individual needs and priorities and anticipated transaction costs. In addition, the receipt of such fees can create conflicts of interest in instances (i) where our adviser representative is also licensed as a registered representative of a broker-dealer and receives a portion of 12b-1 and or revenue sharing fees as compensation – such compensation creates an incentive for the investment adviser representative to use programs which utilize funds that pay such additional compensation; and (ii) where the custodian receives the entirety of the 12b-1 and/or revenue sharing fees and takes the receipt of such fees into consideration in terms of benefits it may elect to provide to the firm, even though such benefits may or may not benefit some or all of the firm clients.

***Additional Disclosure Concerning Wrap Programs:*** To the extent that we either sponsor or recommend wrap fee programs, please be advised that certain wrap fee programs may (i) allow our investment adviser representatives to select mutual fund classes that either have no transaction fee costs associated with them but include embedded 12b-1 fees that lower the investor's return ("sometimes referred to as "A-Shares," depending on the mutual fund issuer), or (ii) allow the use of mutual fund classes that have transaction fees associated with them but do not carry embedded 12b-1 fees (sometimes referred to as "I-Shares," depending on the mutual fund sponsor). Wrap fee programs offer investment services and related transaction services for one all-inclusive fee (except as may be described in the applicable wrap fee program brochure). The trading costs are typically absorbed by the firm and/or the investment representative. If a client's account holds A-Shares within a wrap fee program, the firm and/or its investment adviser representative avoids paying the transaction fees charged by other mutual fund classes, which in effect decreases the firm's costs and increases its revenues from the account. Effectively, the cost is transferred to the client from the firm in the form of a lower rate of return on the specific mutual fund. This creates an incentive for the firm or investment adviser representative to utilize such funds as opposed to those funds that may be equally appropriate for a client but do not carry the additional cost of 12b-1 fees. As a policy matter, the firm does not allow funds that impose 12b-1 or revenue sharing fees on the client's investment within its wrap fee programs. Clients should understand and discuss with their investment adviser representative the types of mutual fund share classes available in the wrap fee program and the basis for using one share class over another in accordance with their individual circumstances and priorities.

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

Keidan Financial does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

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

Keidan Financial provides portfolio management services to individuals, trusts, high net worth individuals, corporate pension, and profit-sharing plans. The firm generally requires a minimum of \$250,000 to open an advisory account. It believes that this is the minimum amount required to successfully execute its investment strategies for an individual portfolio. However, smaller accounts may be accepted at the discretion of management.

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

### **A. Methods of Analysis and Investment Strategies**

Keidan Financial uses a variety of sources of data to conduct its economic, investment and market analysis, such as financial newspapers and magazines, economic and market research materials prepared by others, conference calls hosted by mutual funds, corporate rating services, annual reports, prospectuses, and company press releases. It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear.

Keidan Financial and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to clients. The methods of analysis may include quantitative methods for optimizing client portfolios, computer-based risk/return analysis, technical analysis, and statistical and/or computer models utilizing long-term economic criteria.

- Optimization involves the use of mathematical algorithms to determine the appropriate mix of assets given the firm's current capital market rate assessment and a particular client's risk tolerance.
- Quantitative methods include analysis of historical data such as price and volume statistics, performance data, standard deviation and related risk metrics, how the security performs relative to the overall stock market, earnings data, price to earnings ratios, and related data.
- Computer models may be used to derive the future value of a security based on assumptions of various data categories such as earnings, cash flow, profit margins, sales, and a variety of other company specific metrics.

In addition, the firm reviews research material prepared by others, as well as corporate filings, corporate rating services, and a variety of financial publications. The firm may employ outside vendors or utilize third-party software to assist in formulating investment recommendations to clients.

Investing in securities involves risk of loss that clients should be prepared to bear. As is always the case, investors need to make their own assessments of economic and political risks before making an investment. Investors may lose some or all of their investment. Each mutual fund that the firm uses is subject to risk that the fund adviser will make poor security selections. The fund portfolio managers apply their own investment techniques and risk analyses in making investment decisions, but there can be no guarantee that these decisions will achieve the desired results for the mutual fund.

### **Investment Methodology – 401(k) Plans**

Keidan Financial, if made available by the plan, and if appropriate for a particular client's needs, may recommend lifestyle funds. The lifestyle fund enables plan participants to choose the appropriate model portfolio that fits with their tolerance for risk. Lifestyle funds use the client's age as a barometer for the composition of the underlying fund portfolio assets. For example,

someone in their 70's will have a lifestyle fund that is composed of securities that are heavily weighted in high-quality fixed income; younger participants will likely have a lifestyle fund whose portfolio is more weighted in equities.

### **Important Disclosure – Custodian Investment Programs**

Please be advised that the firm utilizes Royal Alliance Associates, Inc. as its primary custodian, which is described in detail under Section 12 of this Part 2A disclosure brochure. Under this arrangement we can access certain investment programs offered by our custodian that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please see Item 5.A. of this Brochure for detailed information.

### **Material Risks of Investment Instruments**

Keidan Financial may invest in equity securities, corporate debt instruments, municipal fixed income instruments, government securities including asset-backed securities, and options on securities as detailed below:

- Equity securities
- Mutual fund securities
- Exchange-traded funds
- Corporate debt securities, commercial paper, and certificates of deposit
- Municipal securities
- U.S. government securities
- Corporate debt obligations
- Real Estate Investment Trusts ("REITs")

### **Equity Securities**

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

### **Mutual Fund Securities**

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

### **Exchange-Traded Funds ("ETFs")**

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs<sup>®</sup>, streetTRACKS<sup>®</sup>, DIAMONDS<sup>SM</sup>, NASDAQ 100 Index Tracking Stock<sup>SM</sup> ("QQQs<sup>SM</sup>"), iShares<sup>®</sup> and VIPERs<sup>®</sup>. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employ the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

### **Corporate Debt, Commercial Paper, and Certificates of Deposit**

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S. or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have liquidity and currency risk.

Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

### **Municipal Securities**

Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax free at the federal level, but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.



### **U.S. Government Securities**

U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

### **Corporate Debt Obligations**

Corporate debt obligations include corporate bonds, debentures, notes, commercial paper and other similar corporate debt instruments. Companies use these instruments to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and must repay the amount borrowed at maturity. Commercial paper (short-term unsecured promissory notes) is issued by companies to finance their current obligations and normally has a maturity of less than nine months. Keidan Financial may also invest in corporate debt securities registered and sold in the United States by foreign issuers (Yankee bonds) and those sold outside the U.S. by foreign or U.S. issuers (Eurobonds).

### **Real Estate Investment Trusts ("REITs")**

A REIT is a tax designation for a corporate entity which pools capital of many investors to purchase and manage real estate. Many REITs invest in income-producing properties in the office, industrial, retail, and residential real estate sectors. REITs are granted special tax considerations, which can significantly reduce or eliminate corporate income taxes. In order to qualify as a REIT and for these special tax considerations, REITs are required by law to distribute 90% of their taxable income to investors. REITs can be traded on a public exchange like a stock, or be offered as a non-traded REIT. REITs, both public exchange-traded and non-traded, are subject to risks including volatile fluctuations in real estate prices, as well as fluctuations in the costs of operating or managing investment properties, which can be substantial. Many REITs obtain management and operational services from companies and service providers that are directly or indirectly related to the sponsor of the REIT, which presents a potential conflict of interest that can impact returns on investments.

Non-traded REITs include: (i) A REIT that is registered with the Securities and Exchange Commission (SEC) but is not listed on an exchange or over-the-counter market (non-exchange traded REIT); or, (i) a REIT that is sold pursuant to an exemption to registration (Private REIT). Non-traded REITs are generally blind pool investment vehicles. Blind pools are limited partnerships that do not explicitly state their future investments prior to beginning their capital-raising phase. During this period of capital-raising, non-traded REITs often pay distributions to their investors.

The risks of non-traded REITs are varied and significant. Because they are not exchange-traded investments, they often lack a developed secondary market, thus making them illiquid investments. As blind pool investment vehicles, non-traded REITs' initial share prices are not related to the underlying value of the properties. This is because non-traded REITs begin and continue to purchase new properties as new capital is raised. Thus, one risk for non-traded REITs is the possibility that the blind pool will be unable to raise enough capital to carry out its investment plan. After the capital raising phase is complete, non-traded REIT shares are

infrequently re-valued and thus may not reflect the true net asset value of the underlying real estate investments. Non-traded REITs often offer investors a redemption program where the shares can be sold back to the sponsor; however, those redemption programs are often subject to restrictions and may be suspended at the sponsor's discretion. While non-traded REITs may pay distributions to investors at a stated target rate during the capital-raising phases, the funds used to pay such distributions may be obtained from sources other than cash flow from operations, and such financing can increase operating costs.

With respect to publicly traded REITs, publicly traded REITs may be subject to additional risks and price fluctuations in the public market due to investors' expectations of the individual REIT, the real estate market generally, specific sectors, the current yield on such REIT, and the current liquidity available in public market. Although publicly traded REITs offer investors liquidity, there can be constraints based upon current supply and demand. An investor when liquidating may receive less than the intrinsic value of the REIT.

## **B. Investment Strategy and Method of Analysis Material Risks**

### **Margin Leverage**

Although Keidan Financial, as a general business practice, does not utilize leverage, there may be instances in which exchange-traded funds, other separate account managers and, in very limited circumstances, Keidan Financial will utilize leverage. In this regard please review the following:

The use of leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control \$2 of a security for \$1. So if the price of a security rises by \$1, the investor earns a 100% return on their investment. Conversely, if the security declines by \$.50, then the investor loses 50% of their investment. The use of leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers that carry customer accounts have a minimum equity requirement when clients utilize leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to satisfy a margin deposit or withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

### **Short-Term Trading**

Although Keidan Financial, as a general business practice, does not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy. In this regard, please read the following:

There is an inherent risk for clients who trade frequently in that high-frequency trading creates substantial transaction costs that in the aggregate could negatively impact account performance.

### **C. Concentration Risks**

There is an inherent risk for clients whose investment portfolios lack diversification—that is, they have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

Keidan Financial has nothing to disclose for this item.

### **B. Administrative Enforcement Proceedings**

Keidan Financial has nothing to disclose for this item.

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

Keidan Financial has nothing to disclose for this item.

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

### **A. Broker-Dealer or Representative Registration**

Members and registered advisory personnel of Keidan Financial are registered representatives of Royal Alliance Associates, Inc. ("Royal Alliance"). Royal Alliance is a diversified financial services company registered with FINRA as a broker-dealer engaged in the offer and sale of securities products. Keidan Financial professionals licensed with Royal Alliance as registered representatives spend less than 25% of their time engaged in commission product sales through Royal Alliance.

As a result of Keidan Financial members and registered professionals' affiliation with Royal Alliance, such professionals, in their capacity as registered representatives of Royal Alliance, are subject to the general oversight of Royal Alliance and the Financial Industry Regulatory Authority Inc. ("FINRA"). As such, clients of Keidan Financial should understand that their personal and account information is available to FINRA and Royal Alliance for the fulfillment of their regulatory oversight obligations and duties.

Further, a potential conflict of interest may be deemed to exist as a result of Keidan Financial personnel being licensed with Royal Alliance; in that regard please note the following:

- The recommendation of securities transactions for commission creates a conflict of interest in that Keidan Financial is economically incented to effect securities transactions for clients;
- The client is under no obligation to act upon Keidan Financial's recommendation; and
- If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through Royal Alliance.

### **B. Futures or Commodity Registration**

Neither Keidan Financial nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading adviser and do not have an application to register pending.

### **C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

#### **Broker-Dealer Registration**

Certain representatives of Keidan Financial are associated with Royal Alliance Associates, Inc. ("Royal Alliance") as Registered Representatives. Royal Alliance is a diversified financial services company registered with FINRA as a broker-dealer engaged in the offer and sale of securities products.

### **Insurance Sales**

Certain managers, members, and registered employees of Keidan Financial are licensed insurance agents. With respect to the provision of financial planning services, the firm professionals may recommend insurance products offered by such carriers for whom they function as an agent and receive a commission for doing so. Please be advised there is a potential conflict of interest in that there is an economic incentive to recommend insurance and other investment products of such carriers. Please also be advised that the firm strives to put its clients' interests first and foremost. Other than for insurance products that require a securities license, such as variable insurance products, clients may utilize any insurance carrier or insurance agency they desire. For products requiring a securities and insurance license, clients may be limited to those insurance carriers that have a selling agreement with Keidan Financial's employing broker-dealer.

### **D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

Keidan Financial does not recommend separate account managers or other investment products in which it receives any form of referral or solicitor compensation from the separate account manager or client.

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

### **A. Code of Ethics Description**

In accordance with the Advisers Act, Keidan Financial has adopted policies and procedures designed to detect and prevent insider trading. In addition, Keidan Financial has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of the firm's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the Chief Compliance Officer of the firm. Keidan Financial will send clients a copy of its Code of Ethics upon written request.

Keidan Financial has policies and procedures in place to ensure that the interests of its clients are given preference over those of the firm, its affiliates, and its employees. For example, there are policies in place to prevent the misappropriation of material nonpublic information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

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

Keidan Financial does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, Keidan Financial does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

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

Keidan Financial, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which Keidan Financial specifically prohibits. Keidan Financial has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- prohibit fraudulent conduct in connection with the trading of securities in a client account

- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow Keidan Financial's procedures when purchasing or selling the same securities purchased or sold for the client.

#### **D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Keidan Financial, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other of the firm's clients. Keidan Financial will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of Keidan Financial to place the client's interests above those of the firm and its employees.



## Item 12: Brokerage Practices

### A. Factors Used to Select Broker-Dealers for Client Transactions

#### **Custodian Recommendations**

Keidan Financial may recommend that clients establish brokerage accounts with Royal Alliance Associates, Inc. ("custodian"), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Keidan Financial may recommend that clients establish brokerage accounts with the custodian, the decision to open a brokerage account with Royal Alliance Associates, Inc. is at the sole discretion of the client. Keidan Financial is independently owned and operated and not affiliated with the custodian. Custodian does not charge separately for custody services, but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through or that settle into the custodian's accounts.

Keidan Financial considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker-dealers or custodians to advisory clients.

In certain instances and subject to approval by the firm, Keidan Financial will recommend to clients certain broker-dealers and/or custodians based on the needs of the individual client, taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by Keidan Financial will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

#### **Soft Dollar Arrangements**

Keidan Financial does not utilize soft dollar arrangements. Keidan Financial does not direct brokerage transactions to executing brokers for research and brokerage services.

#### **Institutional Trading and Custody Services**

Custodian provides Keidan Financial with access to its institutional trading and custody services, which are typically not available to the custodian's retail investors. These services are generally available to independent investment advisers on an unsolicited basis, at no charge to them so long as a minimum dollar commitment of the advisor's clients' assets are maintained in accounts at the custodian. Custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or that would require a significantly higher minimum initial investment.

**Other Products and Services**

Custodian also makes available to Keidan Financial other products and services that benefit Keidan Financial but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Keidan Financial's accounts, including accounts not maintained at the custodian. Custodian also makes available to Keidan Financial its managing and administering software and other technology that

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

Custodian also offers other services intended to help Keidan Financial manage and further develop its business enterprise. These services may include

- compliance, legal, and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants, and insurance providers

Custodian may also provide other benefits such as educational events or occasional business entertainment of Keidan Financial personnel. In evaluating whether to recommend that clients custody their assets at the custodian, Keidan Financial may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost, or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

**Independent Third Parties**

Custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to Keidan Financial. Custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to Keidan Financial.

**Additional Compensation Received from Custodians**

Keidan Financial may participate in institutional customer programs sponsored by broker-dealers or custodians. Keidan Financial may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between Keidan Financial's participation in such programs and the investment advice it gives to its clients, although Keidan Financial receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations

- Research-related products and tools
- Consulting services
- Access to a trading desk serving Keidan Financial participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to Keidan Financial by third-party vendors

The custodian may also pay for business consulting and professional services received by Keidan Financial's related persons, and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for Keidan Financial's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit Keidan Financial but may not benefit its client accounts. These products or services may assist Keidan Financial in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help Keidan Financial manage and further develop its business enterprise. The benefits received by Keidan Financial or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

Keidan Financial also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require Keidan Financial to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, Keidan Financial will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by Keidan Financial's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for Keidan Financial's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, Keidan Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Keidan Financial or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Keidan Financial's recommendation of broker-dealers such as Royal Alliance for custody and brokerage services.

### **Brokerage for Client Referrals**

Keidan Financial does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

## **Directed Brokerage**

### **Keidan Financial Recommendations**

Keidan Financial typically recommends Royal Alliance Associates, Inc. as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

### **Client-Directed Brokerage**

Occasionally, clients may direct Keidan Financial to use a particular broker-dealer to execute portfolio transactions for their accounts or request that certain types of securities not be purchased for their accounts. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage Keidan Financial derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. Keidan Financial loses the ability to aggregate trades with other Keidan Financial advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

## **B. Aggregating Securities Transactions for Client Accounts**

### **Best Execution**

Keidan Financial, pursuant to the terms of its investment advisory agreement with clients, may have discretionary authority to determine which securities are to be bought and sold, and the price of such securities. Keidan Financial effects securities transactions directly with the clients' custodian unless as otherwise directed by the client. Keidan Financial recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. Keidan Financial will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client

- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, Keidan Financial seeks to ensure that clients receive best execution with respect to clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of Keidan Financial's knowledge, these custodians provide high-quality execution, and Keidan Financial's clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, Keidan Financial believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

### **Security Allocation and Order Aggregation**

Keidan Financial does not aggregate client orders for either purchases or liquidations since each respective client portfolio is managed in accordance with customized asset allocation targets and strategies.

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## Item 13: Review of Accounts

### **A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Account assets for Investment Advisory clients are supervised continuously and formally reviewed at least quarterly by Robert S. Keidan, President. In addition to the account statements and confirmations sent to clients by the custodian of their accounts, all investment advisory clients receive a quarterly report from Keidan Financial which provides the current status of the accounts performance for the period.

The firm, upon request, may provide additional reports showing the industry and sector diversification of a portfolio, the cost basis of securities held, realized capital gains and losses, and other portfolio information. In addition, through meetings, telephone calls and letters, the firm regularly keeps clients informed of the investment policy and strategy for achieving clients' investment objectives. The nature and frequency of these reports and other communications are determined primarily by the particular needs of each client.

### **B. Review of Client Accounts on Non-Periodic Basis**

Keidan Financial may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how Keidan Financial formulates investment advice.

### **C. Content of Client-Provided Reports and Frequency**

Clients will be provided with account statements reflecting the transactions occurring in Client's account at least on a quarterly basis. Client will be provided with confirmations for each securities transaction executed in client's account. Further, depending on the services requested by client, firm may provide account holding reports reflecting the holdings in client's account and the value of the securities. Such reports will be provided at a frequency as requested by client. The client's independent custodian also provides regular account statements directly to the client. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by Keidan Financial.

Financial plans will be reviewed periodically as needed, as the result of qualifying events or at the request of client.

Clients may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place.

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

### **A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

Other than what is disclosed in Item 12 regarding benefits the firm receives from its custodian(s), Keidan Financial does not receive economic benefits for referring clients to third-party service providers.

Royal Alliance offers our advisory representatives educational, training and incentive programs for those advisory representatives that meet certain production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account. While our security sales are reviewed for suitability by an appointed supervisor, you are encouraged to ask us about any conflict you think may exist

### **B. Advisory Firm Payments for Client Referrals**

Keidan Financial does not make payment for client referrals.

## Item 15: Custody

Keidan Financial is considered to have custody of client assets for purposes of the Advisers Act for the following reasons:

- The client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account.
- Our authority to direct client requests, utilizing standing instructions, for wire transfer of funds for first-party money movement and third-party money movement (checks and/or journals, ACH, Fed-wires). The firm has elected to meet the SEC's seven conditions to avoid the surprise custody exam, as outlined below:
  1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
  2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
  3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
  4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
  5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
  6. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.
  7. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.

Individual advisory clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. Keidan Financial urges its clients to compare the account balance(s) shown on their account statements to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account.



## **Item 16: Investment Discretion**

Clients may grant a limited power of attorney to Keidan Financial with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, Keidan Financial will exercise full discretion as to the nature and type of securities to be purchased and sold, the amount of securities for such transactions, the amount of commissions to be paid, and the executing broker to be used. Investment limitations may be designated by the client as outlined in the investment advisory agreement.

## Item 17: Voting Client Securities

Keidan Financial does not take discretion with respect to voting proxies on behalf of its clients. Keidan Financial will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of Keidan Financial supervised and/or managed assets. In no event will Keidan Financial take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, Keidan Financial will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Keidan Financial has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. Keidan Financial also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, Keidan Financial has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where Keidan Financial receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Keidan Financial does not require the prepayment of fees of \$1200 or more, six months or more in advance, and as such is not required to file a balance sheet.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

Keidan Financial does not have any financial issues that would impair its ability to provide services to clients.

### **C. Bankruptcy Petitions During the Past Ten Years**

There are no bankruptcy petitions to report.