

# Form ADV Part 2A – Disclosure Brochure

## Item 1: Cover Page



## Capital CS Group, LLC

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**Effective: March 2023**

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This Form ADV 2A ("Disclosure Brochure") provides information about the qualifications and business practices of Capital CS Group, LLC ("CCSG" or the "Advisor"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (844) 390-2797.

CCSG is a registered investment adviser. The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through CCSG to assist you in determining whether to retain the Advisor.

Additional information about CCSG and its advisory persons are available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with CCSG name or our CRD# 304523.

## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of CCSG.

CCSG believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. CCSG encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Change

Since our last annual amendment filing on March 1, 2022, the following material changes have occurred:

- Our firm now utilizes the Advisory Services of Pontera® (formerly FeeX) for our Investment Management Service. Please see Item 4, Item 5 and Item 15 of this Brochure for more information.
- Our firm has clarified in Item 5 of this Brochure, that our firm bills on cash and cash equivalents unless otherwise indicated in writing.

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## Item 4 – Advisory Services

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### A. Firm Information

Capital CS Group, LLC (“CCSG” or the “Advisor”) is an SEC registered investment adviser. CCSG is organized as a limited liability company under the laws of the State of California. CCSG was founded in 2019 and has been in business as an investment adviser since that time. CCSG is owned by Jessica McConnell and Todd Carbone. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by CCSG.

For questions regarding this Disclosure Brochure, please contact Jessica McConnell, Chief Compliance Officer at (844) 390-2797.

### B. Advisory Services Offered

CCSG offers investment advisory services to high-net-worth individuals, families, trusts, estates, and businesses (each referred to as a “Client”). CCSG provides comprehensive investment management, planning and consulting services tailored to the individual needs of each Client.

#### Investment Advisory Services

CCSG provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management, planning and related advisory services. CCSG typically offers these as a bundled advisory engagement, but may, in certain circumstances, offer as individual services. CCSG works closely with each Client to develop an investment strategy that seeks to achieve the goals of the Client.

#### Investment Management

CCSG customizes its investment management services for its Clients. Portfolios are primarily constructed using mutual funds, exchange-traded funds (“ETFs”), individual stocks and fixed income securities. For certain Clients, the Advisor may also utilize alternative investments and other types of investments, as appropriate, to meet the needs of particular Clients. For some Clients, CCSG has the ability to employ a hedging strategy involving concentrated or restricted stock positions held at a Custodian. The Advisor generally constructs portfolios in alignment with its internal strategies but may retain legacy securities due to portfolio fit and tax considerations.

CCSG evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. CCSG’s investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. If it is consistent with the Client’s goals, the Advisor may also engage in an investment strategy that utilizes frequent trading in securities, please see Item 8 for more information. CCSG will construct, implement and monitor the Client’s portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

CCSG, in its discretion, may redistribute investment allocations to diversify the portfolio. CCSG may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. CCSG may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

CCSG will provide investment management and related advisory services. At no time will CCSG accept or maintain custody of a Client’s funds or securities, except for authorized deduction of the Advisor’s fees and dispersing client funds to a third party under a standing letter of instruction. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the investment advisory agreement.

CCSG serves as the Client’s primary advisor and relationship manager. However, the Independent Manager[s] will assume discretionary authority for the day-to-day investment management of those assets placed in their control. CCSG will assist and advise the Client in establishing investment objectives for their account[s], the selection of the Independent Manager[s], and defining any restrictions on the account[s]. CCSG will continue to provide

oversight of the Client's account[s] and ongoing monitoring of the activities of these unaffiliated parties. The Independent Manager[s] will implement the selected investment strategies based on their investment mandates. The Client may be able to impose reasonable investment restrictions on these accounts, subject to the acceptance of these third parties. CCSG does not receive any compensation from these Independent Managers or Investment Platforms, other than its investment advisory fee (described in Item 5).

**\*Use of Pontera® to manage assets “held away”:** We provide an additional service for accounts not directly held in our custody, but where we do have discretion, and may leverage an Order Management System to implement tax-efficient asset location and opportunistic rebalancing strategies on behalf of the client. These are primarily 401(k) accounts, HSA's, and other assets we do not custody. We regularly review the available investment options in these accounts, monitor them, and rebalance and implement our strategies in the same way we do other accounts, though using different tools as necessary.

#### Portfolio Monitoring

CCSG may also provide for general asset allocation guidance within parameters of a plan held with outside custodians. This guidance is solely consultative in nature and involves no on-going supervision, trading, or discretion with respect to securities transactions. Clients are responsible for placing and executing their own trades, either on their own or with another investment adviser. We provide non-continuous and periodic outside account monitoring.

#### Account Monitoring

This service provides for safekeeping/housekeeping of Client Assets on Client's behalf. CCSG is not authorized to effectuate securities transactions unless specifically requested by the Client. Otherwise, Client is responsible for the execution of trades on their own or with another registered investment adviser. CCSG will provide financial planning or consulting services with respect to the Assets.

#### Financial Planning and Consulting Services

CCSG will typically provide a variety of financial planning services to Clients. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, estate planning, personal savings, education savings and other areas of a Client's financial situation. For some Clients, CCSG has the ability to employ a hedging strategy involving concentrated or restricted stock positions held at a Custodian.

A financial plan developed, or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. CCSG may also refer Clients to an accountant, attorney or other specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

CCSG may utilize the sub-advisory services of a third-party investment advisory firm or individual advisor to aid in the formation of a financial plan. Before selecting a firm or individual, CCSG will ensure that the chosen party is properly licensed or registered.

Consulting/Margin Loan Program - CCSG has partnered with its custodian and negotiated low interest rate margin loans to be offered to its Clients. In this program, CCSG is engaged as a consultant to assist in procuring the margin loan between the Client and the custodian. CCSG provides ongoing consulting and other related services to these accounts as requested by the Client. CCSG will consult and assist in securing low rate margin loans with its custodians while also providing research and other advice to their clients.

### Retirement Plan Consulting Services

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

- Establishing an Investment Policy Statement – CCSG will assist in the development of a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – CCSG will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- Asset Allocation and Portfolio Construction – CCSG will develop strategic asset allocation models to aid Participants in developing strategies to meet their investment objectives, time horizon, financial situation and tolerance for risk.
- Investment Monitoring – CCSG will monitor the performance of the investments and notify the client in the event of over/underperformance and in times of market volatility.

In providing services for retirement plan consulting, CCSG does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, "Excluded Assets"). All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to Client accounts that are retirement or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the Client accounts are part of a Plan, and CCSG accepts appointment to provide services to such accounts, CCSG acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

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Please note: CCSG does not determine if securities held by Clients are the subject of a class action lawsuit or whether Clients are eligible to participate in class action settlements or litigation nor does CCSG initiate or participate in litigation to recover damages on a Client's behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by Clients.

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### **C. Client Account Management**

Prior to engaging CCSG to provide investment advisory services, each Client is required to enter into one or more advisory agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – CCSG, in connection with the Client, will develop an investment strategy targeted to achieve the Client's investment goals and objectives.
- Asset Allocation – CCSG will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – CCSG will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – CCSG will provide investment management and ongoing oversight of the Client's portfolio.
- Financial Planning and Consulting – For Clients engaging for investment advisory services, the Advisor provides ongoing financial planning and related services regarding the Client's overall financial situation.

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

CCSG does not manage or place Client assets into a wrap fee program.

## **E. Assets Under Management**

As of 12/31/2022, CCSG manages \$104,415,836 worth of assets on a discretionary basis and \$17,825,895 worth of assets on a non-discretionary basis, totaling \$122,241,731.

## **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign one or more agreements that detail the responsibilities of CCSG and the Client.

### **A. Fees for Advisory Services**

#### Investment Management

Investment advisory fees are paid quarterly, in advance or in arrears, pursuant to the terms of the investment advisory agreement. Investment advisory fees are typically based on the average daily ending market value of assets under management during the quarter or previous quarter, as applicable, and will not exceed 2.00%. The market value of assets under management will include assets purchased on margin, if applicable. Clients will also be charged an additional \$50 annual account fee for administrative expenses; this fee may be waived upon CCSG's discretion. The investment advisory fee charged will depend on the size of the Client relationship, the scope/complexity of services to be provided, and other factors.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. Certain Clients may have a fixed annual fee or fixed rate fee or a fee schedule that differs from above. The Client's fees will take into consideration the aggregate assets under management with Advisor. Investment advisory fees include financial planning and consulting services, unless separately engaged for those services. All securities held in accounts managed by CCSG will be independently valued by the Custodian. CCSG will not have the authority or responsibility to value portfolio securities.

The Client may make additions or withdrawals from the account[s] at any time, subject to the Advisor's right to terminate an account or the overall relationship. Additions may be in cash or securities provided that the Advisor reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client's account[s]. Clients may withdraw account assets on notice to CCSG, subject to the usual and customary securities settlement procedures. However, the Advisor typically designs its investment portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a Client's investment objectives. CCSG may consult the Client about the implications of such transactions. Clients are advised that when such securities are liquidated, they may be subject to securities transaction fees, short-term redemption fees, and/or tax ramifications.

#### Portfolio Monitoring

Portfolio Monitoring services are billed on an hourly, flat, or recurring fee basis or a fee based on the percentage of assets being monitored. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum hourly fee to be charged will not exceed \$450. Flat fees will not exceed \$90,000 per year. The maximum annual asset-based fee charged for this service will not exceed 2.00%.

#### Account Monitoring

Account monitoring services are billed on an hourly basis, or a fee based on a percentage of the assets being monitored. The maximum annual fee for this service as a percentage of assets will not exceed 1.25%. The maximum hourly rate will not exceed \$450. In addition to the fees noted above, Client will pay a \$50 annual account fee to cover Advisor's administrative expenses. Fees may be negotiable at the sole discretion of CCSG and will be deducted from Client account(s) by CCSG. In rare cases, CCSG will agree to directly invoice.

#### Financial Planning and Consulting Services

Financial planning and consulting services may be included as part of an overall wealth management engagement or provided as a stand-alone engagement. For separate engagements, financial planning and consulting services are offered at an hourly rate or for a fixed engagement. Fees are based on the experience of the person performing the services, the complexity of the services to be provided and the duration of the engagement. Hourly engagements are billed at a rate of up to \$350 per hour or a fixed engagement fee. Flat fees range from \$1,000 to \$50,000. Flat fee engagements are based on the estimated number of hours to complete the service as the Advisor's hourly rate. An estimate for total hours and/or costs will be determined prior to engaging for these services. The Advisor's fee is

exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

The maximum fee charged to Clients utilizing the sub-advisory services of a third-party investment advisory firm or individual advisor will not exceed the maximum fees published in the paragraph above. CCSG compensates third party investment advisory firms or individual advisors a portion of the overall advisory fee charged by CCSG.

#### Retirement Plan Consulting Services

Retirement Plan Consulting fees are based on the percentage of Plan assets under management and will not exceed 1.50%. Retirement plan consulting services are provided as a stand-alone engagement. The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

### **B. Fee Billing**

#### Investment Management

Investment advisory fees will be calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter-start date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the average daily ending market value of assets under management during the previous calendar quarter. Unless otherwise noted in writing, our firm bills on cash and cash equivalents.

As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

For held away assets utilizing the Pontera® platform, Client will be charged an Annualized fee of 0.25% by Pontera®, charged quarterly in advance based on the value of the account(s) on the last day of the previous quarter. The fee in the first quarter of service is pro-rated from the inception date of the account(s) to the end of the first quarter. Pro-rated adjustments to the prior quarter's invoice only are applicable when accounts are added or removed, not when there are inflows or outflows for existing accounts. In the event the Client cancels a subscription, Client will be billed the pro-rated quarterly payment for the quarter in which such cancellation occurs. Our firm will not charge clients the 0.25% Pontera® fee and will cover the additional cost of this service.

#### Portfolio Monitoring

Annualized asset-based fees are billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter. The fee-paying arrangements for hourly or fixed fee engagements will be determined on a case-by-case basis and will be detailed in the signed agreement. The fees for this service will be deducted from the Client's managed account or, if Client does not have a managed account with CCSG, will be directly billed to the Client. Our bill is due and payable within 30 days.

#### Account Monitoring

Annualized asset-based fees are billed on a pro-rata basis quarterly in advance based on the time-weighted daily value of the account(s) during the previous quarter. The fee-paying arrangements for hourly engagements will be determined on a case-by-case basis and will be detailed in the signed agreement. Fees may be negotiable at the sole discretion of CCSG and will be deducted from Client account(s) by CCSG. In rare cases, CCSG will agree to directly invoice. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and



- c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

#### Financial Planning and Consulting Services

Financial planning and consulting fees are invoiced up to 50% upon the execution of the financial planning or consulting agreement with the balance due upon completion of the engagement deliverable[s]. CCSG will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months.

#### Retirement Plan Consulting Services

The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than CCSG, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian. The investment advisory fee charged by CCSG is separate and distinct from these custody and execution fees. TD Ameritrade, Inc. ("TD Ameritrade") does not charge transaction fees for U.S. listed equities and exchange traded funds.

In addition, all fees paid to CCSG for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. The Client should review both the fees charged by the fund[s] and the fees charged by CCSG to fully understand the total fees to be paid.

Our firm does not charge an additional fee for managing held-away assets for clients that engage us under a Portfolio Management agreement, however, Pontera® charges a 0.25% fee for those assets. Our firm will not charge clients the 0.25% Pontera® fee and will cover the additional cost of this service.

### **D. Payment of Fees and Termination**

#### Investment Management

CCSG is compensated for its investment advisory services at the beginning of the quarter. Either party may request to terminate the investment advisory agreement with CCSG, at any time, by providing written notice to the other party. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. Upon notice of termination, CCSG will process a pro-rata refund of the unearned portion of the advisory fees charged in advance.

#### Portfolio Monitoring

Either party may request to terminate the Portfolio Monitoring Agreement, at any time, by providing written notice to the other party. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. Upon notice of termination, CCSG will process a pro-rata refund of any unearned portion of the advisory fees charged in advance.

#### Account Monitoring

Either Party may terminate the Account Monitoring Agreement in writing at any time. Upon receipt of notice of termination, CCSG will process a pro-rata refund of the unearned portion of the advisory fees charged in advance at the beginning of the quarter.

#### Financial Planning and Consulting Services

The Advisor is partially compensated for its financial planning and consulting services upon execution of the engagement agreement. Either party may terminate a planning agreement, at any time, by providing written notice to the other party. Upon termination, the Client shall be responsible for fees based on the hours worked by the Advisor or the percentage of the engagement completed. Upon termination, any unearned prepaid fees will be promptly refunded to the Client. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

#### Retirement Plan Consulting Services

The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. Party to a Retirement Plan Consulting Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within 5 business days of signing an agreement. After 5 business days from initial signing, either party must provide the other party 30 days written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will be charged on a pro-rata basis, which takes into account work completed by CCSG on behalf of the client. Clients will incur charges for bona fide advisory services rendered up to the point of termination (determined as 30 days from receipt of said written notice) and such fees will be due and payable.

#### **E. Compensation for Sales of Securities**

CCSG and representatives do not sell securities for a commission in advisory accounts.

Advisory Persons may also be licensed as independent insurance professionals. Advisory persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by an Advisory Person is separate and in addition to CCSG's advisory fees. This practice presents a conflict of interest as an Advisory Person may have an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on Client needs. Clients are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with the Advisor.

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

CCSG does not charge performance-based fees for its investment advisory services. The fees charged by CCSG are as described in "Item 5 – Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client.

CCSG does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

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#### **Item 7 – Types of Clients**

CCSG offers investment advisory services to high-net-worth individuals, families, trusts, estates, and businesses. The relative percentage of each type of Client is available on CCSG's Form ADV Part 1. These percentages will change over time. CCSG does not impose a size for establishing a relationship but does tailor its services to high-net-worth Clients.

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

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

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

**Charting:** In this type of technical analysis, CCSG 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.

**Cyclical Analysis:** Statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks include that cycles may invert or disappear and there is no expectation that this type of analysis will pinpoint turning points, instead be used in conjunction with other methods of analysis.

**Fundamental Analysis:** The analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earnings), health, and its competitors and markets. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches one can use: bottom-up analysis and top down analysis. The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives: (a) to conduct a company stock valuation and predict its probable price evolution; (b) to make a projection on its business performance; (c) to evaluate its

management and make internal business decisions; (d) and/or to calculate its credit risk.; and (e) to find out the intrinsic value of the share.

When the objective of the analysis is to determine what stock to buy and at what price, there are two basic methodologies investors rely upon: (a) Fundamental analysis maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by purchasing the mispriced security and then waiting for the market to recognize its "mistake" and reprice the security.; and (b) Technical analysis maintains that all information is reflected already in the price of a security. Technical analysts analyze trends and believe that sentiment changes predate and predict trend changes. Investors' emotional responses to price movements lead to recognizable price chart patterns. Technical analysts also analyze historical trends to predict future price movement. Investors can use one or both of these different but complementary methods for stock picking. 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.

**Quantitative Analysis:** The use of models, or algorithms, to evaluate assets for investment. The process usually consists of searching vast databases for patterns, such as correlations among liquid assets or price-movement patterns (trend following or mean reversion). The resulting strategies may involve high-frequency trading. The results of the analysis are taken into consideration in the decision to buy or sell securities and in the management of portfolio characteristics. A risk in using quantitative analysis is that the methods or models used may be based on assumptions that prove to be incorrect.

**Qualitative Analysis:** A securities analysis that uses subjective judgment based on unquantifiable information, such as management expertise, industry cycles, strength of research and development, and labor relations. Qualitative analysis contrasts with quantitative analysis, which focuses on numbers that can be found on reports such as balance sheets. The two techniques, however, will often be used together in order to examine a company's operations and evaluate its potential as an investment opportunity. Qualitative analysis deals with intangible, inexact concerns that belong to the social and experiential realm rather than the mathematical one. This approach depends on the kind of intelligence that machines (currently) lack, since things like positive associations with a brand, management trustworthiness, customer satisfaction, competitive advantage and cultural shifts are difficult, arguably impossible, to capture with numerical inputs. A risk in using qualitative analysis is that subjective judgment may prove incorrect.

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

**Asset Allocation:** The implementation of an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame. Asset allocation is based on the principle that different assets perform differently in different market and economic conditions. A fundamental justification for asset allocation is the notion that different asset classes offer returns that are not perfectly correlated, hence diversification reduces the overall risk in terms of the variability of returns for a given level of expected return. Although risk is reduced as long as correlations are not perfect, it is typically forecast (wholly or in part) based on statistical relationships (like correlation and variance) that existed over some past period. Expectations for return are often derived in the same way.

An asset class is a group of economic resources sharing similar characteristics, such as riskiness and return. There are many types of assets that may or may not be included in an asset allocation strategy. The "traditional" asset classes are stocks (value, dividend, growth, or sector-specific [or a "blend" of any two or more of the preceding]; large-cap versus mid-cap, small-cap or micro-cap; domestic, foreign [developed], emerging or frontier markets), bonds (fixed income securities more generally: investment-grade or junk [high-yield]; government or corporate; short-term, intermediate, long-term; domestic, foreign, emerging markets), and cash or cash equivalents. Allocation among these three provides a starting point. Usually included are hybrid instruments such as convertible bonds and preferred stocks, counting as a mixture of bonds and stocks. Other alternative assets that may be considered include: commodities: precious metals, nonferrous metals, agriculture, energy, others.; Commercial or residential real estate (also REITs); Collectibles such as art, coins, or stamps; insurance products (annuity, life settlements, catastrophe bonds, personal life insurance products, etc.); derivatives such as long-short or market neutral strategies, options, collateralized debt, and futures; foreign currency; venture capital; private equity; and/or distressed securities.

There are several types of asset allocation strategies based on investment goals, risk tolerance, time frames and diversification. The most common forms of asset allocation are: strategic, dynamic, tactical, and core-satellite.

- **Strategic Asset Allocation:** The primary goal of a strategic asset allocation is to create an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Generally speaking, strategic asset allocation strategies are agnostic to economic environments, i.e., they do not change their allocation postures relative to changing market or economic conditions.
- **Dynamic Asset Allocation:** Dynamic asset allocation is similar to strategic asset allocation in that portfolios are built by allocating to an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Like strategic allocation strategies, dynamic strategies largely retain exposure to their original asset classes; however, unlike strategic strategies, dynamic asset allocation portfolios will adjust their postures over time relative to changes in the economic environment.
- **Tactical Asset Allocation:** Tactical asset allocation is a strategy in which an investor takes a more active approach that tries to position a portfolio into those assets, sectors, or individual stocks that show the most potential for perceived gains. While an original asset mix is formulated much like strategic and dynamic portfolio, tactical strategies are often traded more actively and are free to move entirely in and out of their core asset classes
- **Core-Satellite Asset Allocation:** Core-Satellite allocation strategies generally contain a 'core' strategic element making up the most significant portion of the portfolio, while applying a dynamic or tactical 'satellite' strategy that makes up a smaller part of the portfolio. In this way, core-satellite allocation strategies are a hybrid of the strategic and dynamic/tactical allocation strategies mentioned above.

**Concentrated Stock Positions:** A concentrated position is when a significant portion (roughly 10% or greater) of an individual's investable assets are allocated to a single stock. When investing in concentrated stock positions, there is always a certain level of company risk or, unsystematic risk, that is inherent in each investment. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry.

**Options:** An option is a financial derivative that represents a contract sold by one party (the option writer) to another party (the option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). Options are extremely versatile securities. Traders use options to speculate, which is a relatively risky practice, while hedgers use options to reduce the risk of holding an asset. In terms of speculation, option buyers and writers have conflicting views regarding the outlook on the performance of a:

- **Call Option:** Call options give the option to buy at certain price, so the buyer would want the stock to go up. Conversely, the option writer needs to provide the underlying shares in the event that the stock's market price exceeds the strike due to the contractual obligation. An option writer who sells a call option believes that the underlying stock's price will drop relative to the option's strike price during the life of the option, as that is how he will reap maximum profit. This is exactly the opposite outlook of the option buyer. The buyer believes that the underlying stock will rise; if this happens, the buyer will be able to acquire the stock for a lower price and then sell it for a profit. However, if the underlying stock does not close above the strike price on the expiration date, the option buyer would lose the premium paid for the call option.
- **Put Option:** Put options give the option to sell at a certain price, so the buyer would want the stock to go down. The opposite is true for put option writers. For example, a put option buyer is bearish on the underlying stock and believes its market price will fall below the specified strike price on or before a specified date. On the other hand, an option writer who shorts a put option believes the underlying stock's price will increase about a specified price on or before the expiration date. If the underlying stock's price closes above the specified strike price on the expiration date, the put option writer's maximum profit is achieved. Conversely, a put option holder would only benefit from a fall in the underlying stock's price below the strike price. If the underlying stock's price falls below the strike price, the put option writer is obligated to purchase shares of the underlying stock at the strike price.

**Long-Term Purchases:** CCSG may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security's value will appreciate over a long horizon. The risk of this strategy is that CCSG could miss out on potential short-term gains that could have been profitable to your account, or it's possible that the security's value may decline sharply before CCSG makes a decision to sell.

**Margin Transactions:** CCSG may purchase stocks, mutual funds, and/or other securities for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase stock without selling other holdings. Margin accounts and transactions are risky and not necessarily appropriate for every client. The potential risks associated with these transactions are (1) You can lose more funds than are deposited into the margin account; (2) the forced sale of securities or other assets in your account; (3) the sale of securities or other assets without contacting you; and (4) you may not be entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.

**Short-Term Purchases:** When utilizing this strategy, CCSG may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). CCSG does this in an attempt to take advantage of conditions that CCSG believes will soon result in a price swing in the securities CCSG purchase.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. CCSG will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

For any investment instrument or strategy that involves active or frequent trading, you may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put, and call options are highly specialized activities and entail greater than ordinary investment risks. All options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates. Prices can also move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk unlimited losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options can lose more money than a short seller of that stock on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.

- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders. Risks that are not specific to options trading include: market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks as stock options are a derivative of stocks.

Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market 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 (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.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor’s review process are included below in “Item 13 – Review of Accounts”.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. **Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

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## Item 9 – Disciplinary Information

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There are no legal or disciplinary events material to the evaluation of our advisory business or integrity of our management.

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## Item 10 – Other Financial Industry Activities and Affiliations

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### A. Broker Dealer

Our firm is not registered, nor does it have an application pending to register, as a broker-dealer, registered representative of a broker dealer.

### B. Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor

Our firm is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

#### C. Insurance Agency Affiliations

Advisory persons are also licensed insurance professionals. Implementations of insurance recommendations are separate and apart an Advisory Person's role with CCSG. As an insurance professional, one may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Advisory Persons are not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by the Advisor or any of its Advisory Persons.

#### D. Selection of Other Investment Advisers

CCSG does not recommend or select other investment advisers for our clients.

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

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

CCSG has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with CCSG (our "Supervised Persons"). The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. CCSG and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of CCSG Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (844) 390-2797.

#### **B. Personal Trading with Material Interest**

CCSG allows the purchase or sale of the same securities that may be recommended to and purchased on behalf of Clients. CCSG does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund or advise an investment company. CCSG does not have a material interest in any securities traded in Client accounts.

#### **C. Personal Trading in Same Securities as Clients**

CCSG allows the purchase or sale of the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, Supervised Persons of CCSG may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by CCSG requiring reporting of personal securities trades by its employees for review by the Chief Compliance Officer ("CCO"). We have also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While CCSG allows the purchase or sale of the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will CCSG transact in any security to the detriment of any Client.**

### Item 12 – Brokerage Practices

#### **A. Recommendation of Custodian[s]**

CCSG does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will select the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize CCSG to direct trades to this Custodian as agreed in the investment advisory agreement. Further, CCSG does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.



Where CCSG does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a Custodian not recommended by CCSG. CCSG may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and its overall reputation. CCSG does not receive research services, other products, or compensation as a result of recommending a particular broker-dealer/custodian that may result in the Client paying higher commissions than those obtainable through other broker-dealer/custodians. With this in consideration, CCSG participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade will serve as the Client's "qualified custodian".

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with such parties in exchange for research and other services.

TD Ameritrade may make certain research and brokerage services available at no additional cost to CCSG. Research products and services provided by TD Ameritrade may include: research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by TD Ameritrade to CCSG in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934. However, the Advisor does receive certain economic benefit from the Custodian as described in Item 14 below.

**2. Brokerage Referrals** - CCSG does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where CCSG will place trades within the established account[s] at the Custodian designated by the Client. In certain situations, the Client may separately direct the Advisor to trade-away from the Custodian. Further, all Client accounts are traded within their respective brokerage account[s], unless instructed otherwise by the Client. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the Custodian, CCSG will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. CCSG will execute its transactions through the Custodian as designated by the Client, unless otherwise instructed. CCSG may aggregate orders in a block trade or trades when securities are purchased or sold through the same Custodian for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

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## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Investments in Client accounts are monitored on a regular and continuous basis by Jessica McConnell. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.



## **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify CCSG if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

## **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by CCSG**

#### Participation in TD Ameritrade's Institutional Program

CCSG may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between CCSG's participation in the program and the investment advice given to clients, although CCSG receives economic benefits through participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving CCSG's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for ACAT and transfer fees for clients. In addition, TD Ameritrade may have paid for business consulting and professional services received by CCSG's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit CCSG but may not benefit client accounts. These products or services may assist CCSG in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help CCSG manage and further develop its business enterprise. The benefits received by CCSG or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of CCSG's fiduciary duties to clients, CCSG endeavors at all times to put the interests of clients first. Clients should be aware, however, that the receipt of economic benefits by CCSG or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the choice of TD Ameritrade for custody and brokerage services.

### **B. Client Referrals from Solicitors**

Our firm pays referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to the referred client. In this regard, our firm maintains Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, our firm ensures that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If our firm is paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

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## Item 15 – Custody

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### Deduction of Advisory Fees

While our firm does not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above), we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts, as further described below under “Third Party Money Movement.” All our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. Additionally, if our firm decides to send its own account statements to clients, such statements will include a legend that recommends the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

### Third Party Money Movement

The SEC issued a no-action letter (“Letter”) with respect to the Rule 206(4) -2 (“Custody Rule”) under the Investment Advisers Act of 1940 (“Advisers Act”). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction (“SLOA”) is deemed to have custody. As such, CCSG has adopted the following safeguards in conjunction with our custodian, TD Ameritrade:

- 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.
- 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.
- 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.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- 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.
- 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.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

### Pontera®:

Our firm has entered into an agreement with Pontera®, a platform allowing our firm to manage accounts held away from our recommend custodian without obtaining client login information and as such avoiding custody. Information about the fees associated with this platform is disclosed in Item 5 of this Brochure.

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## Item 16 – Investment Discretion

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CCSG generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by CCSG. CCSG will obtain client permission prior to effecting securities transactions in client accounts managed on a non-discretionary basis. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client’s execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by CCSG will be in accordance with each Client’s investment objectives and goals.

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### **Item 17 – Voting Client Securities**

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CCSG does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to CCSG, CCSG will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

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### **Item 18 – Financial Information**

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CCSG is not required to provide financial information in this Brochure because:

- CCSG does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- CCSG does not take custody of client funds or securities.
- CCSG does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- CCSG has never been the subject of a bankruptcy proceeding.