



## PART 2 OF FORM ADV – FIRM BROCHURE

October 19, 2023

This brochure provides information about the qualifications and business practices of Cerda Munoz Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 562-222-4525 and/or at [aaron@cerdamunoz.com](mailto:aaron@cerdamunoz.com)

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Cerda Munoz Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Advisor Search" link and the search for "Firm" using the firm's CRD number, 170784.

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## MATERIAL CHANGES

The material changes in this brochure from the last annual updating amendment of Cerda Munoz Advisors, Inc. on 03/29/2023 are described below. Material changes relate to Cerda Munoz Advisors, Inc.'s policies, practices or conflicts of interests.

- Cerda Munoz Advisors, Inc. has updated its Fees and Compensation. (Item 5)
- Charles Schwab & Co., Inc. Advisor Services has acquired TD Ameritrade. Due to this acquisition clients of the firm have transitioned from TD Ameritrade to Charles Schwab & Co., Inc. Advisor Services. (Items 12, 13, and 15)

Cerda Munoz Advisors, Inc. will provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Our brochure may be requested by contacting Aaron Munoz, Chief Compliance Officer, at (562) 222-4525 and/or at [aaron@cerdamunoz.com](mailto:aaron@cerdamunoz.com)

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## Item 4 - Advisory Business

Cerda Munoz Advisors, Inc. (CMA) is a Registered Investment Adviser with its principal place of business located in Downey California and founded on December 24, 2013. Registration does not imply a certain degree of skill or training. CMA's principal shareholders are Hilberto Cerda and Aaron Munoz. CMA offers the following advisory services to clients:

### INVESTMENT MANAGEMENT SERVICES:

Clients can engage CMA to provide continues management of investment portfolios on a Discretionary and Non-Discretionary basis. Based on a client's goals, objectives, time frame and risk tolerance, CMA will develop an investment portfolio that will target client's needs. CMA will implement the investment portfolio using Mutual Funds, ETF's, Stocks, Government and Corporate Bonds, REIT's and Cash instruments. While there are a limited number of asset classes, clients may impose restrictions on certain types of asset classes.

CMA may recommend that clients allocate a portion of their assets among unaffiliated investment managers which shall be responsible for the discretionary management of clients' allocated assets. However, CMA shall continue to monitor and review client's account performance, asset allocation and investment objectives. We also consider the management style, reputation, financial strength, reporting capabilities, pricing and other available information to determine the proper investment manager for clients. CMA will complete the necessary documentation and communicate the investment allocation.

As of December 2022, CMA had \$ 99,703,871.00 on a non-discretionary basis and \$ 52,492,637.00 on discretionary assets under management.

CMA will review client accounts as often as needed and consult with clients regarding their asset allocation and investment performance according to their goals. CMA does not participate in wrap-fee programs.

### FINANCIAL PLANNING AND FINANCIAL ADVICE SERVICES:

CMA provides custom tailored consulting services in connection with personal financial matters.

Areas of service Include:

- General Financial Advice
- Cash Flow Planning
- Tax planning
- Investment Planning
- Retirement Planning
- Insurance Planning
- Long Term Care Planning
- Estate Planning

CMA will request financial documents such as Budget, Paystubs, Personal tax returns, Investment statements, Pension statements, Life, Disability, Health, Auto and Homeowner's Insurance Policies, Trust, Wills and Durable power of attorneys.

Clients are under no obligation to act on the investment adviser's recommendations. In addition, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through the investment adviser.

#### **Retirement Rollovers- Conflict of Interest:**

A Client leaving an employer typically has four options:

1. Leave the money in his former employer's plan, if permitted.
2. Rollover the assets to his new employer's plan if one is available and rollovers are permitted.
3. Rollover to an IRA.
4. Cash out the account value (which could have tax consequences).

CMA may recommend an investor to rollover over retirement plan assets to an Individual retirement Account (IRA) managed by CMA. As a result, CMA and its representatives may earn assets under management fees. In contrast, a recommendation that a client or prospective client leave his/her retirement plan assets with his/her old employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to CMA. CMA may have an economic incentive to encourage an investor to rollover the retirement plan assets into an IRA managed by CMA.

CMA will consider several factors before recommending a rollover including but not limited to:

1. Investment options available in the plan versus the investment options available in the IRA.
2. Fees and Expenses in the plan versus the fees and expense in an IRA.
3. The Services offered by CMA versus the plan's investment professionals services.
4. Protection of Assets from credits and legal judgments.
5. Requirement Minimum Distributions and age considerations.
6. Employer stock tax consequences, if any.

No client is under any obligation to rollover retirement plan assets to an IRA managed by CMA or to engage CMA to monitor and/or manage the account while maintained at the employer. CMA's Chief Compliance Office, Aaron Munoz, is available to address any questions that a client or prospective client may have corresponding to the conflict of interest presented by such engagement.

#### **BUSINESS CONTINUITY:**

Cerda Munoz Advisors, Inc. believes on its fiduciary obligations and therefore, has taken the necessary steps to ensure the continuity of the business in the event of an emergency and death or incapacitation of any of its representatives. We incorporated our firm to make the firm a separate entity totally independent of its owners with its own bylaws and operating agreements. We have policy manuals and record keeping activities checklist that anyone can follow in the event of an emergency. This checklist shows the areas where records are kept and the retrieval mechanisms. Our business continuity plan includes the names and contact information of the principals and alternate locations where representatives would meet in case of an emergency. In addition, we back up our documents daily and we have remote access to any document. Since we don't hold physical custody of clients' assets, each client will continue to have access to their accounts through their custodian.

## ITEM 5- FEES AND COMPENSATION

### INVESTMENT MANAGEMENT & FINANCIAL PLANNING FEES:

Investment management fee schedule may vary depending on client circumstances but a typical fee schedule would be as follows:

ASSETS UNDER MANAGEMENT	PERCENTAGE
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All Assets	0.60% - 1.50%
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CMA will charge fees in arrears at the end of each calendar quarter based upon the value of the client's account(s) at the end of the quarter. All fees are prorated based on the number of calendar days remaining in the quarter. CMA will debit the fees directly from client's accounts with their consent. CMA's investment management fee schedule may vary depending on client circumstances. Unaffiliated investment managers, will debit fees directly from the client's investment account and forward the fees to CMA. CMA does not accept compensation for the sale of securities or other investment products.

Financial Planning fees can range from \$3,600 to \$15,000 depending on the complexity of the plan. CMA will not charge the fees for more than six months in advance. If client's circumstances change during the course of our engagement, there may be an additional fee billed at our hourly rate of \$300. If there is substantial change in the course of the plan/project, CMA may require an amended agreement. Fees may be subject to change. A client agreement may be canceled at any time by either party for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any earned, unpaid fees will be due and payable.

### FOR CALIFORNIA RESIDENTS:

Subsection (j) of Rule 260.238 of the California Code of Regulations requires that all investment advisors disclose to their advisory clients that lower fees for comparable services may be available from other sources.

### MUTUAL FUND FEES:

All fees paid to CMA for Investment Advisory Services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

Unaffiliated Investment managers charge management fees to participant in their programs. These management fees are disclosed in the statement of investment information and disclosure brochure.

## ITEM 6- PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Fees charged are calculated as described on the section titled “Fees and Compensation” and are not charged on the basis of a share of capital gains or upon capital appreciation of the funds of the advisory client. Such acceptance or management would pose a significant conflict of interest to the client because performance-based fees may provide an incentive to favor such accounts over the accounts of clients under our other advisory programs. CMA considers avoidance of such conflict a paramount policy in maintaining our fiduciary duty to our clients.

## ITEM 7- TYPES OF CLIENTS

We work with individuals, pension and profit sharing plans, trusts and other business entities. There is an account minimum of \$250,000.

## ITEM 8- METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Before designing investment plans for clients, CMA will evaluate the client’s investments to determine whether the client’s goals are in line with the client’s financial objectives. CMA will propose a portfolio to help clients attain their financial goals. In designing investment plans for clients, CMA relies upon the information supplied by the client and client’s other professional advisors. Such information includes but is not limited to client’s specific financial situation, estate planning, tax planning, risk management, short-term and long-term financial goals, objectives, investment time horizon, and tolerance for risk.

CMA’s investment strategies and methods of analysis are based on the concepts of the Noble Prize-winning Modern Portfolio Theory, which identifies the most efficient combination of assets to establish a growth or income portfolio that preserves assets with a risk level appropriate for each individual investor. Once the asset mix has been determined, CMA may recommend unaffiliated investment managers to help implement the allocation strategy. While CMA’s goal is to help clients achieve investment success, we offer no guarantee that our advice will result in profit or protection of loss.

**Risk of Loss:** Investing in securities involves risk of loss that clients should be prepared to bear. CMA’s investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

**INTEREST-RATE RISK:** The risk that investment returns will be affected by changes in the level of interest rates. When interest rates increase, the prices and values of bonds decrease. When interest rates decrease, the prices and values of bonds increase.

**MARKET RISK:** The risk that investment returns will be affected by changes in the overall level of the stock market. When the stock market as a whole increases or decreases, virtually all stocks are affected to some degree.

**REINVESTMENT RATE RISK:** The risk incurred when an investment's income is reinvested at a lower rate than the rate that existed at the time the original investment was made. This risk is most prevalent when interest rates fall.

**PURCHASING POWER RISK (INFLATION RISK):** The risk that inflation will affect the return of an investment in real dollars. In other words, the amount of goods that one dollar will purchase decreases with time. Investments that have low returns, such as savings accounts, are not likely to keep up with inflation. Investments with fixed returns, such as bonds, will decrease in value because their purchasing value will decrease with inflation.

**BUSINESS RISK:** The risk associated with a particular industry or firm. These are factors that affect the industry or firm, but do not affect the whole market. They include government regulations, management competency, or local or regional economic factors.

**FINANCIAL RISK:** The risk associated with the mix of debt and equity used to finance a firm. The greater the financial leverage, the greater the financial risk.

**CURRENCY RISK (EXCHANGE RATE RISK):** The risk that a change in the value of a foreign currency relative to the U.S. dollar will negatively affect a U.S. investor's return.

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

### Risks Associated with Option Trading:

The purchase or writing of options contracts involves a high degree of risk and is not suitable for all investors.

In general, cash equivalents provide liquidity with minimum income, and a return of principal with no capital appreciation. Cash equivalents are, however, subject to purchasing power risk.

Fixed income investments provide current income. Usually, the longer the maturity of the security, the higher the income it will generate. Also, with longer maturities, fixed income investments will have greater price volatility and greater opportunity for capital gains or capital losses. Fixed income investments are subject to interest rate risk, reinvestment rate risk, and purchasing power risk. In addition, foreign bonds would be subject to currency rate risk and junk bonds would be subject to business risk and financial risk.

The return of principal for bond funds and funds with significant underlying bond holdings is not guaranteed. Mutual fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds.

Equity investments are subject to greater volatility, thus providing a greater opportunity for capital gains, and a greater opportunity for capital losses. Equity investments offer little or no current



income. Equity investments are subject to market risk and interest rate risk, while providing an opportunity to protect against purchasing power risk. Also, stock mutual funds, rather than individual equities, may limit the exposure to business risk and financial risk.

Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be heightened in connection with investments in developing countries. Small-company stocks entail additional risks, and they can fluctuate in price more than larger company stocks.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

## ITEM 9- DISCIPLINARY INFORMATION

There are no disciplinary items to disclose. Cerda Munoz Advisors, Inc. (CMA) and neither any of its management personnel or Investment Advisor Representatives have ever experienced any type of disciplinary action.

Item 9.A: Not Applicable

Item 9.B: Not Applicable

Item 9.C: Not Applicable

## ITEM 10- OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

CMA may retain Independent third-party account administrators that performs certain services such as account administration, portfolio allocation analysis, asset-class investment strategy, back-office fulfillment, report and statement production, and fee debiting. Such services are paid directly through advisory fees billed to the client or are indirectly paid by CMA. The unaffiliated investment managers are registered with the Securities and Exchange Commission. We believe that our selection of unaffiliated investment managers and their academic investment approach is worth the fees charged and is in the best interest of our clients. To avoid any conflict of interest, CMA's fee schedule for clients with unaffiliated Investment managers is the same as our regular fee schedule. Clients may contact Aaron Munoz our Chief Compliance Officer if they have any questions regarding any conflict of interest.

Unaffiliated investment managers may also sponsor educational seminars for the benefit of CMA and its clients. Such educational seminars provide CMA with access to information and ideas regarding practice development, client servicing, investment strategy, relationship management and financial planning. Attendance expenses associated with such educational seminars may be paid or reimbursed, either in whole or in part.

CMA may execute transactions through broker-dealers Charles Schwab & Company. CMA or clients may incur additional brokerage commissions, ticket charges or other similar expenses that are collected by Charles Schwab a broker-dealer and/or custodians of record.

As an outside business activity, Aaron Munoz holds a life insurance license with the state of California. Aaron may help clients implement Life, Disability and Long-Term Care insurance policies. As a result, Aaron may get a commission from the insurance company. Given this situation, there may be a conflict of interest that would incentivize Aaron to recommend a policy with higher premiums and therefore higher commissions. Aaron mitigates this conflict by looking at the client's overall financial situation and only help implement insurance policies on a needs only basis. Clients are under no obligation to purchase any insurance policies.

CMA also provides individual tax preparation services. The fees for the tax preparation services are separate from investment and financial planning fees. Clients are under no obligation to use CMA as their tax preparer. CMA can work directly with client's other professionals such as accountants, tax preparers, attorneys, consultants and insurance agents. Aaron Munoz is the Chief Compliance Officer and he can address any question that clients may have.

## ITEM 11- CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

CMA or individuals associated with CMA may buy or sell securities identical to those recommended to clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security (ies) which may also be recommended to a client. As these situations represent a conflict of interest, CMA has established the following restrictions:

- A director, officer, employee or associate of CMA shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment or affiliation unless the information is also available to the investing public on reasonable inquiry. No such person associated with CMA shall prefer his or her own interest to that of an advisory client.
- CMA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Any individual not in observance with the above requirements will be subject to termination.

A copy of the entire Code of Ethics is available upon request.

All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding to CMA.

## ITEM 12- BROKERAGE PRACTICES

CMA plans to participate in the Schwab Institutional (SI) services program offered to independent investment advisors by Charles Schwab & Company, Inc., a FINRA registered broker/dealer. Clients in need of brokerage and custodial services will have Charles Schwab & Company, Inc. As part of SI Program, CMA will receive benefits that it would not receive if it did not offer investment advice. CMA has reviewed the services of Charles Schwab & Company, Inc. and recommends the services based on a number of factors. These factors include the professional services offered, fees, and the custodial platform provided to clients. Based on its business model, CMA will not seek to

exercise discretion to negotiate trades among various brokers on behalf of clients. CMA will, however, periodically attempt to negotiate lower fees for its clients with Charles Schwab & Company, Inc.

CMA will receive benefits from Schwab. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to online accounts; access to a trading desk access to block trading which provides the ability to aggregate securities and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received through participation in the programs may or may not depend upon the amount of transactions directed to, or amount of assets held by, Charles Schwab & Company, Inc.

CMA is independently owned and operated and CMA is not affiliated with any custodian.

## ITEM 13- REVIEW OF ACCOUNTS

CMA will monitor all managed accounts on a periodic basis, quarterly and as needed to determine if the model portfolio allocation is still “in sync” with the original model. The model portfolio allocation has been custom designed to keep a proper balance between risk and reward. As such, if the model allocation has moved from the original target percentages due to market fluctuation, the account will be rebalanced to bring the model portfolio back into alignment in order to maintain the proper balance. The portfolio is rebalanced by selling of shares that are over their percentage and purchasing shares that are under their percentage.

If the model portfolio allocation remains in sync with the original model that was put into place, the portfolio will not be rebalanced. Review of client accounts are conducted by Hilberto Cerda and Aaron Munoz.

## REPORTS AND REBALANCING REPORTS:

Clients receive monthly statements from Charles Schwab and quarterly statements from Jefferson National & Monumental. Other reports will be provided by unaffiliated investment managers. For more information, see Other Financial Industry Activities and Affiliations. These reports summarize the account performance, balances, holdings, and fees. In addition, clients may also review these reports online by setting up website access to Charles Schwab, Jefferson National, and Monumental.

## ITEM 14- CLIENT REFERRALS AND OTHER COMPENSATION

CMA welcomes and encourages client referrals. However, there is no direct or indirect compensation made to clients if they refer someone to our firm

CMA may act as a solicitor for unaffiliated investment managers. As a result, CMA receives advisory fees that get debited from clients’ accounts.

## ITEM 15- CUSTODY

Cerda Munoz Advisors, Inc. and its representatives do not hold or maintain client assets. A third-party qualified custodian such as Charles Schwab holds and maintains clients' assets and they will provide transaction reports and account statements either monthly or quarterly directly to each client at their address of record. These reports allow clients to review the activity in their account(s). CMA urges clients to compare the account statements that they receive from Schwab with any performance report or statement CMA and/or service providers may create for clients.

CMA has evaluated Schwab and believes that Schwab will provide clients with a blend of price, services, and professionalism that will assist CMA in meeting our fiduciary obligations. Clients with Monumental and Jefferson National fee-based annuities will receive quarterly and confirmation statements directly from these companies.

Cerda Munoz Advisors, Inc. is deemed to have custody of assets solely as a consequence of the authority that clients grant us to make withdrawals from client accounts to pay for advisory fees. However, we do not have custody of client assets. Each client needs to sign a written authorization allowing Cerda Munoz Advisors, Inc. to deduct the advisory fees from the accounts held at Charles Schwab or any other custodian. CMA will send an invoice to the custodian at the same time that CMA sends a copy to clients. Clients receive a statement from Charles Schwab showing the deducted fees and Cerda Munoz Advisors, Inc. will send an invoice showing the calculation of the fees. It is the clients' responsibility to verify the accuracy of the fees billed.

## ITEM 16- INVESTMENT DISCRETION

Clients of Cerda Munoz Advisors, Inc. (CMA) must sign an investment advisory agreement outlining the responsibilities of each party. With this agreement, clients grant CMA discretionary authority to implement investment decisions such as, but not limited to, investment selection, asset allocation and rebalancing. This discretion will be limited by the restrictions that clients may place on the account. Even though clients grant us discretion, CMA's decisions will be based on each client's investment suitability, goals, objectives and risk tolerance as established on the Investment Policy Statement or interviews.

## ITEM 17- VOTING CLIENT SECURITIES

CMA policy and practice is to not accept the authority to vote proxies on behalf of clients. Clients will retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios.

## ITEM 18- FINANCIAL INFORMATION

CMA neither requires nor solicits prepayment of more than \$1200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

# BROCHURE SUPPLEMENTS

(PART 2 OF FORM ADV)

HILBERTO CERDA  
AARON MUNOZ  
WILLIAM F. TORRES

**October 19, 2023**

This brochure supplement provides information about Hilberto Cerda, Aaron Munoz and William F. Torres that supplements Cerda Munoz Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Aaron Munoz Chief Compliance Officer if you did not receive Cerda Munoz Advisor Inc's brochure or if you have any questions about the contents of this supplement.

Additional information about Hilberto Cerda, Aaron Munoz and William F. Torres is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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Website: [www.cerdamunoz.com](http://www.cerdamunoz.com)

## Hilberto Cerda CFP®

Year of Birth: 1983

### ITEM 2: EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

#### Education:

- Boston University, Financial Planning Education Program
- University of Southern California, Bachelor of Science in Business Administration, Finance
- Cerritos College, Associates of Arts, Liberal Arts

#### Business Experience:

- Cerda Munoz Advisors, Inc. December 2013 to Present
- Cerda Wealth Management April 2013 to November 2014
- FSC Securities August 2005 to November 2009
- Louis Barajas, LLC October 2004 to April 2013
- Barajas & Torres, Inc. July 2001 to October 2004

#### Professional Designations: Certified Financial Planner™

The CFP® designation is a professional certification granted in the United States by the Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the right to use the CFP® mark, an individual must satisfactorily fulfill certain education and experience requirements. An individual must also pass the CFP® Certification Examination. Each Individual is also bound by the CFP Board's Standards of Professional Conduct. CFP® Designees must complete 30 hours of continuing education every two years including two hours on the code of Ethics and Standards of Conduct.

### ITEM 3: DISCIPLINARY INFORMATION

A: Criminal or Civil Actions: Not Applicable

B. Administrative Procedures: Not Applicable

C. A Self-Regulatory Organization Proceeding: Not Applicable

D. Revocation, suspension or violation of professional conduct: Not Applicable

#### ITEM 4: OTHER BUSINESS ACTIVITIES

Hilberto Cerda also provides individual tax preparation services. The fees for the tax preparation services are separate from investment and financial planning fees. Clients are under no obligation to use Hilberto Cerda or any of Cerda Munoz Advisors, Inc.'s representatives as their tax preparer.

#### ITEM 5: ADDITIONAL COMPENSATION

Hilberto does not receive any bonus that is based, all or in part, on the number of amount of sales, client referrals, or new accounts. Also, he does not receive any economic benefit from anyone who is not a client for providing advisory services.

#### ITEM 6: SUPERVISION

Hilberto, as a founder and partner, is one of the principal executives in Cerda Munoz Advisors, Inc.'s structure. Accordingly, he has direct or indirect supervisory authority over all of the firm's investment advisor representatives, including himself. He can be reached at 562-222-4525.

Although Hilberto does not have a direct supervisor, his activities are monitored by Cerda Munoz Advisors, Inc Chief Compliance Officer.

## Aaron Munoz CFP®, EA

Year of Birth: 1971

### ITEM 2: EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

#### Education:

- College for Financial Planning, Financial Planning Education Program
- California State University, Los Angeles, Bachelor of Science Degree, Finance
- East Los Angeles College, Associates of Arts, Liberal Arts

#### Career History:

- Cerda Munoz Advisors, Inc. December 2013 to Present
- Cerda Wealth Management April 2013 to November 2014
- FSC Securities January 1996 to November 2009
- Louis Barajas, LLC October 1995 to April 2013
- AIM International April 1994 to October 1996

#### Professional Designations:

#### **Certified Financial Planner™**

The CFP® designation is a professional certification granted in the United States by the Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the right to use the CFP® mark, an individual must satisfactorily fulfill certain education and experience requirements. An individual must also pass the CFP® Certification Examination. Each Individual is also bound by the CFP Board's Standards of Professional Conduct. CFP® Designees must complete 30 hours of continuing education every two years including two hours on the code of Ethics and Standards of Conduct.

**Enrolled Agent:** An enrolled agent is a person who has earned the privilege of representing taxpayers before the Internal Revenue Service by either passing a three-part comprehensive IRS test covering individual and business tax returns, or through experience as a former IRS employee. Enrolled agent status is the highest credential the IRS awards. Individuals who obtain this elite status must adhere to ethical standards and complete 72 hours of continuing education courses every three years. Enrolled agents, like attorneys and certified public accountants (CPAs), have unlimited practice rights. This means they are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can represent clients before.

### ITEM 3: DISCIPLINARY INFORMATION

- A. Criminal or Civil Actions: Not Applicable
- B. Administrative Procedures: Not Applicable
- C. A Self-Regulatory Organization Proceeding: Not Applicable
- D. Revocation, suspension or violation of professional conduct: Not Applicable



#### ITEM 4: OTHER BUSINESS ACTIVITIES

Aaron Munoz is an enrolled agent licensed to represent clients before the internal revenue service. Aaron Munoz also provides individual tax preparation services. The fees for the tax preparation services are separate from investment and financial planning fees. Clients are under no obligation to use Aaron Munoz or any of Cerda Munoz Advisors, Inc.'s representatives as their tax preparer.

Aaron Munoz also holds a life insurance license with the state of California. Aaron may help implement a low-cost term life insurance policy for his clients. As a result, Aaron may get a commission from the insurance company. Given this situation, there may be a conflict of interest that would incentivize Aaron to recommend a policy with higher premiums and therefore higher commissions. Aaron mitigates this conflict by looking at the client's overall financial situation and only help implement insurance policies on a needs basis.

#### ITEM 5: ADDITIONAL COMPENSATION

Aaron does not receive any bonus that is based, all or in part, on the number of amount of sales, client referrals, or new accounts. Also, he does not receive any economic benefit from anyone who is not a client for providing advisory services.

#### ITEM 6: SUPERVISION

Aaron, as a founder and partner, is one of the principal executives in Cerda Munoz Advisors, Inc.'s structure. Accordingly, he has direct or indirect supervisory authority over all of the firm's investment advisor representatives, including himself. He can be reached at 562-222-4525. Although Aaron does not have a direct supervisor, he is the President and Chief Compliance Officer and his activities are monitored by Cerda Munoz Advisors, Inc.'s compliance procedures.

## **William F. Torres CPA/PFS**

Year of Birth: 1962

### **ITEM 2: EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

#### **Education:**

- California State University, Fullerton, Bachelor of Arts Degree, Accounting
- Golden Gate University, San Francisco, Masters of Science Taxation
- Georgetown University Law School, Washington DC, Certification in International Taxation

#### **Career History:**

- Cerda Munoz Advisors, Inc. February 2018 to Present
- Bill Torres & Company January 1995 to Present
- 1<sup>st</sup> Global Capital Corp January 1996 to December 2017
- 1<sup>st</sup> Global Advisors, Inc January 2007 to December 2017
- 1<sup>st</sup> Global Insurance Services, June 2006 to December 2017
- Mendoza Berger & Company January 2007 to December 2009

#### **Professional Designations:**

##### **Certified Public Accountant (CPA)**

A Certified Public Accountant, or CPA, assists either organizations or individuals with tax and financial statement preparation, they are knowledgeable about tax laws, various financial transactions, auditing processes and bookkeeping systems.

##### **Personal Financial Specialist (PFS)**

A specialty credential awarded by the American Institute of Certified Public Accountants (AICPA) to CPAs who specialize in helping individuals plan all aspects of their wealth. Successful Personal Financial Specialist (PFS) applicants earn the right to use the PFS designation with their names. Every three years, PFS professionals must complete 60 hours of continuing professional education. A candidates must be active members of the AICPA, have at least three years of financial planning experience, meet all the requirements for being a CPA, receive recommendations and pass a written exam.

### **ITEM 3: DISCIPLINARY INFORMATION**

- A. Criminal or Civil Actions: Not Applicable
- B. Administrative Procedures: Not Applicable
- C. A Self-Regulatory Organization Proceeding: Not Applicable
- D. Revocation, suspension or violation of professional conduct: Not Applicable

#### ITEM 4: OTHER BUSINESS ACTIVITIES

William F. Torres also provides accounting and tax preparation services through his firm Bill Torres & Company. The fees for the accounting and tax preparation services are separate from investment and financial planning fees. Clients are under no obligation to use William F. Torres for accounting and tax preparation services.

William F. Torres also holds a life insurance license with the state of California. William may help implement term life insurance policy for his clients. As a result, William may get a commission from the insurance company. Given this situation, there may be a conflict of interest that would incentivize William to recommend a policy with higher premiums and therefore higher commissions. William mitigates this conflict by looking at the client's overall financial situation and only help implement insurance policies on a needs basis.

#### ITEM 5: ADDITIONAL COMPENSATION

William does not receive any bonus that is based, all or in part, on the number of amount of sales, client referrals, or new accounts. Also, he does not receive any economic benefit from anyone who is not a client for providing advisory services.

#### ITEM 6: SUPERVISION

William F. Torres' activities are monitored by Cerda Munoz Advisors, Inc.'s Chief compliance Officer.