

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

Item 1 Cover Page

**Cascade Investment Group, Inc.**

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Date: September 2023

**Firm Brochure**

This brochure provides information about the qualifications and business practices of Cascade Investment Group, Inc. If you have any questions about the contents of this brochure, please contact us at 719-632-0818 or [dcapozzella@ciginc.net](mailto:dcapozzella@ciginc.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Cascade Investment Group, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 35844.

Cascade Investment Group, Inc. is a Registered Investment Advisor although this does not imply a certain level of skill or training.

Item 2 Material Changes

Since our last annual amendment filing, we have the following material changes to report:

- We have increased the maximum hourly fee for our Financial Planning service to \$495.
- Our firm no longer accepts proxy voting authority for client securities. Please see Item 17 of this Brochure for more information.
- We have added the use of lead generation platforms to refer prospective clients to our firm. Please see Item 14 below for further details.
- We have increased the maximum asset-based Pension Consulting Fee to 1.50% and added a minimum negotiable flat fee not to exceed \$2,500.

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Cascade Investment Group, Inc. (hereafter referred to as CIGI) is a SEC-registered investment adviser with its principal place of business located in Colorado. CIGI began conducting business in 1993.

CIGI's principal owner is The Eastern Colorado Bank.

The Eastern Colorado Bank is principally owned by Gregory Justin Weed, Majority TTEE Weed Investment Group, Inc.

CIGI's principal activities include retail and institutional private client services, including but not limited to providing advice with respect to financial markets, securities, and executing securities transactions as broker and/or dealer.

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

Our firm provides ongoing advice to clients regarding the investment of clients' funds based on the individual needs of the client. We develop a client's portfolio based on his or her goals and objectives. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We provide the following Investment Advisory Services:

#### **1. Portfolio Freedom Account (PFA) Program:**

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

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

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

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance/Variable annuities
- Mutual fund shares

- United States governmental securities
- Other securities such as but not limited to master limited partnerships (MLPs), real-estate investment trusts (REITs), and exchange traded funds (ETFs).

CIGI may utilize separately managed account (“SMA”) programs or other Third-Party Account Program (“TAMP”) to aid in the implementation of an investment portfolio. Before selecting an SMA or TAMP, CIGI will conduct initial due diligence and ensure that the chosen party is properly licensed or registered.

## **PENSION and CHARITABLE CONSULTING SERVICES**

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

### Pension Trustee Services:

We will meet with clients (in person or through telephone or electronic communications) to support retirement and pension plan trustees in their plan design and selection and review of vendors, such as the third-party administrator (TPA), record keeper and participant investment options.

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

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. For companies and organizations that choose to implement an IPS, our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. Organizations may, at time, write an IPS that lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance. Other organizations elect to write an IPS that gives their investment advisors discretion on security selection and replacement within determined guidelines.

### Selection of Investment Vehicles:

We assist plan sponsors to develop participant investment options. We assist charitable organizations in constructing appropriate asset allocation guidelines and we will then review various securities, to determine which investments are appropriate to implement as determined by the client's IPS.

#### Monitoring of Investment Performance:

Our firm does not monitor individual holdings for retirement plan participants on a continual basis and does not take discretionary authority to make changes for those participants as a part of our Pension Consulting services. Separate from our plan level services, we offer discretionary advisement through our Portfolio Freedom Accounts using third-party platforms that enable access to monitoring and management of qualified plan accounts for clients. We assist plans and participants in the review of securities offered and will educate participants so they can select funds based on their needs, market factors and risk tolerances.

#### Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we provide educational support and investment workshops designed for the plan participants when the plan sponsor engages our firm to provide these services. The nature of the topics to be covered will be determined by us and the client. The educational support and investment workshops will not provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

### **FINANCIAL PLANNING (CONSULTING SERVICES)**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using known variables to predict future cash flows, asset values and withdrawals. Financial planning results in a comprehensive examination of an individual's or entity's objectives and usually includes a savings and investing strategy to support those objectives. Through the financial planning process, questions, information, and analysis are considered as they impact and are impacted by the entire financial and life situation of the client.

In general, the financial plan can address any or all of the following areas and will depend on the needs and interests of the client:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **CASH FLOW:** We analyze the client's spending and planning for past, current, and future years; then illustrate the impact of various investments on the client's current income and expected income and spending needs. We discuss tax strategies that have the potential to reduce taxes even though we do not provide tax advice.
- **INVESTMENTS:** We analyze investment and asset allocation alternatives and their effect on the client's future cash flow and capital growth.
- **INSURANCE:** We review existing policies and make recommendations with regards to coverage for life, disability and long-term care when requested to do so by clients.

• **RISK MANAGEMENT:** We discuss risk management techniques, at times, with clients around liability insurance coverages, debt reduction and corporate formation. We do not provide solutions in these areas.

• **RETIREMENT:** We analyze current strategies and investment plans to help the client implement strategies to assist them in achieve retirement and other life goals.

• **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.

• **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid, and elder law. We do not provide solutions in these areas.

• **SPECIAL NEEDS:** We are familiar with the differing requirements families have if a member has a qualifying disability that could provide access to such benefits as Supplemental Security Income and Medicaid and the strategies required to gain, protect, and preserve these benefits.

As part of our financial planning process, we gather required information through in-depth personal interviews and materials given to us by clients. Ideally, information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We review documents supplied by the client and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant and, at times, an insurance agent or investment provider (of those are not with us). Implementation of financial planning recommendations is entirely at the client's discretion.

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

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- ABLE Accounts

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All investment, insurance, estate, and tax

recommendations are of a generic nature unless we are engaged as an insurance or investment professional.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2022, we actively managed \$266,027,580 of clients' assets on a discretionary basis, \$2,499,533 of clients' assets on a non-discretionary basis.



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

**PORTFOLIO FREEDOM ACCOUNTS**

Our annual fees for PFA accounts are based upon a percentage of assets under management and range up to a maximum of 2.50%. Fees to be assessed shall be charged quarterly in advance based upon the average daily balance during the previous quarter. The below fees are those charged for CIGI's services. Clients utilizing an SMA or TAMP to assist in the management of their portfolio will pay a separate fee in addition to CIGI's fee that will be described in separate disclosure documents provided by the chosen SMA or TAMP.

The annualized fee for PFA Program is charged as a percentage of assets under management, according to the following schedule:

Assets Under Management	Annual Fee
Less than \$250,000	2.50%
Over \$250,000 but less than \$500,000	2.00%
Over \$500,000 but less than \$1,000,000	1.50%
Over \$1,000,000	Negotiable

Limited Negotiability of Advisory Fees: Although CIGI has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis.

Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client. The negotiated fee will not be lowered or increased automatically to a fee on the fee schedule when the account value meets a different level listed on the fee schedule. The negotiated fee will remain in effect for the entirety of the relationship or until a new negotiated flat fee is entered.

There is no minimum account size, but CIGI reserves the right to decline management services. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

**PENSION CONSULTING FEES**

Our fees for Pension Consulting Services are based on a percentage of assets under advisement and are negotiated per plan at a rate not to exceed 1.50%. Plans without assets supporting our minimum asset-based fee will be charged a flat dollar fee, which is negotiable, and will not exceed \$2,500. Once plan assets reach a level where the percentage of assets would result in a higher fee than the agreed upon minimum, this minimum fee will cease to apply.

Plan sponsors are invoiced in arrears at the end of each calendar quarter when billed by CIGI. Other payment schedules apply dependent on the record keeping firm's schedule.

### **FINANCIAL PLANNING (CONSULTING SERVICES) FEES**

CIGI's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on an hourly basis at a maximum \$495 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours and cost at the start of the advisory relationship.

The client is billed upon completion of actual hours accrued. We do not accept deposits for financial planning engagements.

### **GENERAL INFORMATION**

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

CIGI and its IARs or employees intend to act or are acting as an investment advisor or investment advisor representative in respect to the client's Account. CIGI or its IARs will provide specialized services or investment advice different from that which is customarily provided where commissions or similar fees (e.g. markups or markdowns) are paid on a transaction-by-transaction basis.

CIGI may, from time to time and at its discretion, compensate any of its IARs or employees.

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

Many mutual funds offer multiple share classes, including those expressly designed for, or made available to clients in fee-based advisory programs. CIGI will invest in those share classes designed for advisory accounts. In instances where a fund family does not offer these share classes, any service fees received by CIGI (such as 12b-1 fees) will be rebated to the client's account.

CIGI's IARs will choose a mutual fund based on multiple factors, including but not limited to, eligibility requirements, and distribution agreements.

CIGI will screen funds transferred from other custodians for share class review and will convert any 12b-1 fee paying share classes when available to advisory or institutional share within 90 days of Client account transfer. Any 12b-1 fees that occur during this time period will be reimbursed to Client's account at the end of each month by RBC, our clearing firm. If the Client transfers in with C share mutual funds, the conversion may take more than 90 days to fully convert as only shares that have been held for over 1 year are eligible to convert. Any 12b-1 fees received for these C shares will be reimbursed by RBC, to the Client into the Client's account at the end of each month.

Additional Fees and Expenses: The Fee Schedule or Negotiated Flat Fee does not include fees the client may otherwise be required to pay CIGI or RBC Capital Markets, LLC for the opening, closing, or servicing of the Account, such as, but not limited to, applicable account maintenance fees, or fees for any other account with CIGI, or fees that may be required by law. Examples of; including but not limited to, not included fees are RBC Annual Account fees, check writing fees, FED FUND wired fees, overnight check fees, TOD fees, alternative investment fees, safekeeping fees, IRA closure fees, and any fee RBC deems necessary for managing the custody of the Client's account. The Fee Schedule or Negotiated Flat Fee also does not include fees for other services relating to the Account or for transaction services in respect of assets not covered by the Account Fee. In the normal course of its business, CIGI may suggest that the Client utilize other of its services or those of an affiliate. To the extent that the Client utilizes such services, CIGI, its affiliates, and employees may receive additional fees and considerations.

All trades, except mutual fund transactions, will have an "Other Fees/Service Charge" annotated on the trade confirmation and this charge is \$3 at present and is retained by RBC for processing purposes. CIGI has opted to forgo the portion of this payment that had previously been shared with our firm in an effort to reduce costs to clients and conflicts of interest in our business.

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

ERISA Accounts: CIGI is deemed to be a 3(21) fiduciary to advisory clients that are employee benefit plans or outside employer sponsored individual retirement accounts (I.E. Simple IRAs, SEP IRAs) not held with our clearing firm/custodian pursuant to the Employee Retirement Income Security Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the

"Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions in advisory accounts, CIGI only charges fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees. When advisory accounts do receive compensation from mutual fund companies as 12b-1 fees, these are reimbursed to the Client by our custodian on a monthly basis.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

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

CIGI does not accept performance-based fees.

CIGI provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit-sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses entities such as Partnerships or LCCs
- Trusts and Estates
- Governmental entities

CIGI does not impose a minimum account size for investment advisory accounts. We do charge a negotiable minimum annual fee not to exceed \$2,500 for our Pension Consulting service.

CIGI will use the following security analysis methods:

- (1) Charting
- (2) Fundamental
- (3) Technical

The main sources of information CIGI uses include:

- (1) Financial websites
- (2) Research materials (examples: RBC Credit Suisse, Morningstar, and Argus Research)
- (3) Corporate rating services (e.g. S&P)

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

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

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

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

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

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

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

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying

assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

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

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

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:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Margin Transactions. Our firm may purchase 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 securities 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; (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; and (5) custodians charge interest on margin balances which will reduce your returns over time.

Interval Funds: Interval funds can expose investors to liquidity risk, and that risk is greater in funds that invest in securities of companies with smaller market capitalizations, derivatives or securities with substantial market and/or credit risk. Even though interval funds make periodic offers to repurchase a portion of outstanding shares, investors should consider interval fund shares to be an illiquid investment. There is no guarantee that investors will be able to sell interval fund shares at any given time or in the quantity that they desire. The price that shareholders will receive on a repurchase will be based on the per share NAV determined as of a specified date. This date will occur sometime after the close of business on the date that shareholders must submit their acceptances of the repurchase offer so investor may not know the exact price they will receive for their redemption when effecting the transaction. Additionally, this price may be subject to a redemption fee that further erodes the value of the position upon redemption.

Alternative Investments: Hedge funds, commodity pools, Real Estate Investment Trusts (“REITs”), Business Development Companies (“BDCs”), and other alternative investments involve a high degree of risk and can be illiquid due to restrictions on transfer and lack of a secondary trading market. They can be highly leveraged, speculative and volatile, and an investor could lose all or a substantial amount of an investment. Alternative investments may lack transparency as to share price, valuation and portfolio holdings. Complex tax structures often result in delayed tax reporting. Compared to mutual funds, hedge funds and commodity pools are subject to less regulation and often charge higher fees and may require “capital calls” which would require additional investment. Alternative investment managers typically exercise broad investment discretion and may apply similar strategies across multiple investment vehicles, resulting in less diversification.

Risk of Loss. Securities investments are not guaranteed, and you may lose money on your investments. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal. We ask that you work with us to help us understand your tolerance for risk.

Item 9      Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

On July 14, 2021, CIGI was censured by the SEC for the firm's mutual fund share class selection practices. It was found that CIGI recommended positions charging 12b-1 fees instead of the lower cost share classes of the same funds that were available to clients. The firm and its representatives received these 12b-1 fees and failed to disclose sufficiently the conflict this created to firm clients. CIGI paid a civil penalty on July 16, 2021, of \$125,000. CIGI settled the issue with the SEC and neither admits nor denies the findings contained in the order.

FIRM Registrations:

In addition to CIGI being a registered investment adviser, our firm is registered as a FINRA member broker-dealer. This is specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1, which can be accessed by following the directions provided on the Cover Page of this Firm Brochure.

CIGI is registered with the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), and various state regulatory agencies to provide services as a Broker/Dealer. In this capacity, CIGI may be compensated by fees or commissions from involvement in the sale of various types of securities, including but not limited to, stocks, bonds, and mutual funds.

MANAGEMENT PERSONNEL Registrations:

All management personnel of our firm are licensed as registered representatives of CIGI.

CIGI has three Investment Adviser Representatives licensed to sell life insurance products: Robert G. Wrubel, Theresa Brock and Fermin Padilla. This is an additional service that is provided to clients if they so desire and it is deemed appropriate for the client's overall financial objectives. These individuals may also be insurance brokers for one or more insurance companies. In their separate capacities as registered representatives and/or insurance brokers, these individuals are able to effect securities transactions and/or purchase insurance and insurance-related investment products for CIGI's advisory clients, for which these individuals will receive separate and additional compensation. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

CIGI has one registered investment advisor who is a Certified Financial Planner (CFP®) who provides this additional service for clients: Robert G. Wrubel.

CIGI has two registered investment advisors who are Accredited Investment Fiduciaries (AIF®) who provides this additional service for clients: Robert G. Wrubel and Theresa Brock.

CIGI has one employee who holds the Certified in Social Security Claiming Strategies (CSSCS) designation who provides this additional service for clients free of charge. This service is also provided to non-advisory clients and non-clients on an hourly basis for \$495.

While CIGI and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

Clients should be aware that the receipt of additional compensation by CIGI and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and

these individuals when making advisory recommendations. CIGI endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees.
- We disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies.
- We collect, maintain and document accurate, complete, and relevant client background information, including the client's financial goals, objectives, and risk tolerance.
- Our firm conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances.
- We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed.
- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm.
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

AFFILIATED ENTITY Registrations:

CIGI is directly owned by the Eastern Colorado Bank (ECB). This ownership creates a conflict of interest that could incentivize our firm to recommend advisory clients utilize the banking services of ECB. There are no direct financial incentives for our representatives to recommend advisory clients use ECB's services, and no employees or owners of ECB are involved in the provision of advice to CIGI clients. Our representatives will adhere to their fiduciary duty, and only recommend advisory clients consider the services of ECB when we deem it to be in the client's best interest.

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our firm recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>[1]</sup>. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

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<sup>[1]</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

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As noted, CIGI is also registered with the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), and various state regulatory organizations to provide services as a Broker/Dealer. In this capacity, CIGI may be compensated by fees or commissions. The Principals of CIGI, in their capacity as Registered Representatives of CIGI, may recommend CIGI's Broker/Dealer services to clients who have or are utilizing CIGI's advisory services. In such cases, services are offered to these clients at the same cost as are offered to non-advisory clients. Clients are under no obligation to purchase or sell securities through CIGI. However, if they choose to do so, commissions may be earned which may be higher or lower than commission rates found at other Broker/Dealers.

Clients that have granted discretionary authority for the management of their account that request to include limitations on this authority must do so in a written statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

As a matter of practice, CIGI does not generally enter block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who enter block client trades.

CIGI has no soft dollar arrangements or client referral arrangements that influence our choice of broker-dealer choices.

Since we are a dual-registered company, we direct that an advisory client execute transactions through one clearing company, RBC Capital Markets, as our small size limits our ability to have multiple clearing firm relationships.

CIGI has a clearing agreement with RBC Capital Markets, LLC (RBC) to execute all equity and fixed income trades for its broker-dealer accounts; commission, or transaction-by-transaction business. CIGI directs its investment advisory clients to RBC as well. RBC serves as custodian for both broker dealer and investment advisory Clients of CIGI. There is no direct link between CIGI's use of RBC as its clearing broker dealer and the investment advice CIGI provides to its clients in their investment advisory programs. CIGI is a separate and unrelated business from RBC. CIGI has the ability to use RBC's investment advisory solutions at additional costs to clients and CIGI but no obligation to do so.

Advisors of CIGI will review client's accounts at least annually to confirm that they remain suitably invested. Reviews will also be determined based on the client's risk tolerance, net worth, net income, and other various suitability factors. This review may be triggered by tax law changes, market changes, or market conditions. A more frequent review may also be initiated by a client inquiry due to personal changes. There is no minimum number of accounts assigned for the reviewer.

CIGI provides performance reports to clients no less than annually but may be more frequent. In addition, clients receive custodial statements no less than quarterly from CIGI's clearing firm who serves as the custodian for CIGI's clients' accounts.



### REFERRAL FEES

Our firm utilizes the lead generation platforms to provide us with prospective client contact information in exchange for a fixed monthly subscription fee or other consideration. The fees we pay to these platforms are not contingent upon whether prospective clients ultimately choose to engage our firm for advisory services. We will not charge clients referred any fees or costs higher than our standard fee schedule offered to clients. Additionally, all clients referred to our firm will be given a written disclosure describing the terms and compensation arrangements between our firm and the respective lead generation platform.

### OTHER COMPENSATION

Our firm and/or our officers and representatives receive noncash compensation such as lunches, sponsorship of lunch and learn programs and/or our annual client event. The receipt of this noncash compensation creates a conflict of interest and may affect our judgment when making investment recommendations. Nonetheless, we will adhere to our fiduciary duty to act in our client's best interest.

Additionally, representatives of our firm will occasionally accept travel expense reimbursement and meeting and event underwriting provided by product sponsors in order to attend their educational events. The reimbursement is not directly dependent upon the recommendation of any specific product. Although we may be incentivized to recommend products from product sponsors that reimburse our travel, our representatives will always adhere to their fiduciary duty in recommending appropriate investments for our clients.

CIGI is an Introducing Broker-Dealer which requires it to have a clearing relationship with a clearing firm in order to conduct securities trading and custody for its clients' assets.

CIGI has a clearing relationship with RBC. RBC, as custodian for clients' assets, provides clients, at a minimum, a quarterly account statement. Clients are urged to carefully review those statements.

For PFA accounts only, CIGI encourages clients to compare the account information sent to them by RBC with the additional PFA advisory reports that they receive from CIGI quarterly through email notification by Envestnet Tamarac.

**Qualified Plan Participant Account Management:**

We use a third party platform to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, Adviser will review the current account allocations. When deemed necessary, Adviser will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly and allocation changes will be made as deemed necessary.

**Third Party Money Movement:**

On February 21, 2017, the SEC issued a no-action letter ("Letter") with respect to 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 authorization ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian:

- 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.

CIGI accepts discretionary authority to manage securities on behalf of its clients.

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

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

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Clients do not normally place any limitations on this authority but do have the right with their PFA accounts only, to place additional limitations on specific securities in their portfolio if they so desire. These limitations are usually due to inherited securities that have extremely low-cost basis and must be managed carefully to ensure no large capital gains are incurred or securities that have sentimental value to a client but do not contribute to the client's overall portfolio strategy.

CIGI assumes discretionary authority when the client signs the discretion section of the advisory agreement.

Our firm 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 our firm, our firm 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.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. CIGI has no such financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

CIGI has never been the subject of a bankruptcy petition.