

We are Certior Financial Group, LLC, an investment adviser registered with the Securities and Exchange Commission. Investment advisory and brokerage services and fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. Our firm and financial professionals' registration information are also publicly available on the [Investor.gov](https://www.investor.gov) website.

## What investment services and advice can you provide me?

We offer customized investment advisory and financial planning services to retail investors. We offer advice on a full suite of securities, including equities, fixed income, mutual funds, ETFs, pooled investment vehicles, options, variable annuities, and similar investments. Our services are generally provided on a discretionary basis, which means that we have the power to buy and sell securities for your account without your prior consent. This authority is usually unlimited and remains in effect until you revoke it. For financial planning services, we do not exercise discretionary authority or require you to use certain advisors. We may provide non-discretionary investment advice, where we make investment recommendations to you and you decide whether to implement the recommendation. We do not give advice on any proprietary investment products.

We provide continuous and regular supervision of advisory client assets as part of our standard service to you. In addition, we will conduct ad hoc reviews if you change your objectives or risk tolerance, upon significant market and economic events, or if we change our investment strategy.

We do not require a minimum account size or fee.

Please visit the [Adviserinfo.sec.gov](https://www.adviserinfo.sec.gov) website for additional information on our firm. Select **PART 2 BROCHURES** and reference **Items 4, 7, and 8** of our **Part 2A Brochure** for additional information on our services, investment advice, and account requirements.

### Other Questions You May Have

*Given my financial situation, should I choose an investment advisory service? Why or why not?*

*How will you choose investments to recommend to me?*

*What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

## What fees will I pay?

Our asset-based fees are calculated as a percentage of the assets under our management, so our fees will rise and fall with the value of the assets we manage for you. While our fees may reduce the amount of your assets available for investment, we believe they are justified by our services and attention to your needs. Moreover, we believe our interests are aligned with yours in this type of fee structure. Nonetheless, a conflict of interest may appear in that we are economically incented to recommend that you place more assets in your account in order to increase the value of your portfolio, because as the value increases, so do our fees.

In addition to our fees, you may be charged transaction or asset-based fees by your custodian for its services. These fees vary depending on the custodian. Under a transaction fee arrangement, the more transactions effected in your account, the more fees you will pay, and high activity in your account does not assure positive portfolio performance. For custodians that charge their fees based upon a percentage of your assets, such fees may be more than would be the case if you are charged a transaction-based fee. Please be mindful of the effect of your portfolio size, the level of activity, and the rate of custodian asset-based pricing. Generally, large portfolios would be disadvantaged by paying an asset-based custodian fee versus a transaction-based fee. Some securities carry additional costs, such as mutual funds and ETFs. Financial planning fees will be charged at a fixed rate as agreed upon by you and our firm.

There are additional fees such as internal fees and expenses charged by mutual funds (i.e., 12b-1 distribution fees and management fees that are assessed within the mutual fund) and exchange-traded funds, third-party separate account manager fees, fees imposed by private placements and pooled investment vehicles, product-level fees and commission for insurance-related products, postage and handling, transfer taxes, SEC fees for sales of securities. Also, with certain investments such as variable annuities, you may have to pay fees such as "surrender charges" to sell or redeem the investment.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

You can find more information about our fees and costs under Item 5 of our Part 2A Brochure, available at [Adviserinfo.sec.gov](http://Adviserinfo.sec.gov).

#### **Other Questions You May Have**

*Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

### **What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:

- We may utilize solicitors to solicit business on our behalf. We pay the solicitor a percentage of our fee, and although this does not represent an increase in your fees, it does present a conflict of interest in that the solicitor may be recommending you establish an advisory relationship with us because of the payment we make to the solicitor and not because the solicitor feels that we're the best firm for your needs.
- Certain Certior Financial Group professionals are licensed to sell insurance, which creates conflicts of interest regarding compensation.

Additional information regarding conflicts of interest can be found in Items 5, 10, 11, and 14 of our Part 2A Brochure, available at [Adviserinfo.sec.gov](http://Adviserinfo.sec.gov).

#### **Other Questions You May Have**

*How might your conflicts of interest affect me, and how will you address them?*

### **How do your financial professionals make money?**

Our financial advisors are paid either a percentage of the fees we collect from you or a salary and bonus. Our financial advisors may receive commission-based compensation for the sale of insurance products. We are incentivized to recommend that you add additional assets to your advisory account. We do not receive non-cash compensation.

### **Do you or your financial professionals have legal or disciplinary history?**

Yes, certain Certior Financial Group professionals have disciplinary records, which can be found by accessing [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

#### **Other Questions You May Have**

*As a financial professional, do you have any disciplinary history? For what type of conduct?*

You can find additional information about our investment advisory services on our Part 2A Brochure, available at [Adviserinfo.sec.gov](http://Adviserinfo.sec.gov). You may contact Avi Kantor at 610-783-7010 if you have questions or to request a current copy of this Relationship Summary.

#### **Other Questions You May Have**

*Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

**Item 1: Cover Page**



SEC No. 801-108506

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

November 9, 2023

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This brochure provides information about the qualifications and business practices of Certior Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at 610-783-7010 or email [info@certiorfinancial.com](mailto:info@certiorfinancial.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. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

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

## **Item 2: Material Changes**

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary. At this time there are no material changes from the last annual update of this disclosure statement issued on March 31, 2023.

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## **Item 4: Advisory Business**

### **A. Ownership/Advisory History**

Certior Financial Group, LLC ("CFG" or the "firm") is a Pennsylvania limited liability company. CFG has been a registered investment adviser since October 2016. Avi Kantor is the firm's principal owner.

CFG also conducts business using the name Drozdow Financial LLC ("Drozdow"). Drozdow is a single member LLC owned and operated by one of CFG's supervised persons. CFG has no ownership interest in Drozdow Financial LLC. All investment advisory activities conducted through Drozdow are supervised by CFG.

### **B. Advisory Services Offered**

CFG provides personalized financial planning and asset management services. We value strong relationships built with clients through offering them customized services, and joining in a collaborative process, providing confidence and clarity to help clients effectively navigate the constantly changing financial landscape.

#### **Financial Planning and Consulting**

Financial planning is a process by which a client's current circumstances are reviewed, goals are stated, and a plan is made to guide the client to those goals. CFG's financial planning approach is multi-disciplined and hands on, with our team working with clients to implement a plan consisting of diversified and personalized ideas. In the information-gathering stage, the client will supply to CFG information including income, investments, savings, insurance, age and many other items that are helpful to the firm in assessing your financial goals. The information is typically provided during personal interviews and supplemented with written information. Once the information is received, we will discuss your financial needs and goals with you and compare your current financial situation with the goals you state. Once these are compared, we will create a financial and/or investment plan to help you meet your goals.

The plan is intended to be a roadmap toward your goals. Not every plan will be the same for every client. Each one is specific to the client who requested it. For example, financial planning and consulting may involve the provision of one-time or ongoing investment advice on private securities or held away assets. Because the plan is based on information supplied by you, it is very important that you accurately and completely communicate to us the information we need. We determine these objectives by reviewing new client questionnaires and then interviewing the client for additional background and clarity so we can gather a more complete picture of a client's needs. It is very important that you continually update us with any changes so that if the updates require changes to your plan, we can make those changes. Otherwise, your plan may no longer be accurate.

If the financial planning services include estate planning advice, such advice does not include implementation of the estate plan. Implementation involves drafting of legal documents, which

requires the services of an attorney, the cost of which is in addition to the cost of CFG's services described below in Item 5. CFG may recommend an attorney, but clients are under no obligation to utilize the services of the recommended, or any attorney.

The firm may recommend clients engage the firm's advisory professionals in their individual capacities as insurance agents for additional related services, or registered representatives of an unaffiliated broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage the firm, its professionals or affiliates to provide additional services for compensation.

Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by the firm under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising the firm's recommendations and/or services.

Where appropriate, the firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage the firm or affiliated persons to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans or ABLE plans). In these situations, the firm directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company, or the custodian designated by the product's provider. Moreover, our investment advice is limited to the available investment options made available by the plan.

### **Asset Management**

CFG's asset management services aim to help clients achieve a reasonable rate of return subject to their objectives and risk tolerance, while attempting to mitigate downside risk. We strive to accomplish this by utilizing multiple investment styles and products as appropriate for each client. When we perform asset management services, we do so on a discretionary basis. This means that while we will continue an ongoing relationship with each client, being involved in various stages of their lives and decisions to be made, we will not seek specific approval of investment decisions within the portfolio entrusted to us for management. For its discretionary asset management services, CFG receives a limited power of attorney to effect securities transactions on behalf of its clients that include securities and strategies described in Item 8 of this brochure.

Clients have the right to provide the firm with any reasonable investment restrictions that should be imposed on the management of their portfolio. Such restrictions must be in writing and sent to the firm. Clients should promptly notify the firm in writing of any changes in such restrictions or in the client's personal financial circumstances, investment objectives, goals and tolerance for risk. CFG will remind clients of their obligation to inform the firm of any such changes or any restrictions that should be imposed on the management of the client's account. CFG will also contact clients at least annually to determine whether there have been any changes in a client's personal financial circumstances, investment objectives and tolerance for risk.

**Third-Party Independent Managers**

CFG may select certain Sub-advisers to actively manage a portion of its clients' assets. CFG will ensure clients receive the Sub-adviser(s) disclosure documents at or prior to the time the Sub-adviser begins managing assets for the client. See Item 8 of this brochure for information on how we evaluate such Sub-advisers.

**Retirement Plan Services**

Through written agreements with Plans, we offer a package of consulting services that may include the following.

- We will assist the Plan Sponsor with investment selection and monitoring for the Plan, of which may include:
  - Meeting with the Plan committee
  - Providing periodic reviews of investment policy in the context of Plan objectives
  - Creating investment alternatives including model portfolios for the Plan to consider and implement
  - Reviewing qualified default investment options ("QDIAs") from investment options selected by Plan Sponsor or a delegate thereof
  - Selecting investment managers
  - Monitoring the investment options against defined risk and return criteria.
- We may work with Participants by
  - Providing education about the Plan to the Participants
  - Meeting with Participants to answer questions about the Plan

Consulting services are provided on a nondiscretionary basis. A plan fiduciary, other than CFG, has responsibility for determining which investment options to make available to Plan participants.

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

Each client's account will be managed on the basis of the client's financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

**D. Wrap Fee Programs**

CFG does not participate in wrap fee programs, where brokerage commissions and transaction costs are included in the asset-based fee charged to the client.



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

As of December 31, 2022, CFG has \$240,401,702 assets under management across 1,243 accounts. Of that total, \$153,401,931 is managed on a discretionary basis and \$86,999,771 is managed on a non- discretionary basis.

## Item 5: Fees and Compensation

### A. Methods of Compensation and Fee Schedule

As further discussed below, CFG provides financial planning and consulting services, which may include monitoring of private and held away investment assets and asset management. Clients may engage CFG for financial planning and consulting separately, which is generally charged on a fixed fee per project basis. Clients that have investment assets to be managed and have a need for ongoing planning or consulting services have the option to engage CFG for planning, consulting, and asset management under a mutually agreeable asset management fee not to exceed our maximum asset-based fee discussed below, or at a fixed fee of up to \$50,000. Please note that any asset-based fee for planning and consulting can be more expensive over time versus paying for the fixed fee. You should consult with your CFG financial professional on what option best serves your interests.

#### Financial Planning and Consulting Fees

Financial planning fees are charged on a fixed fee basis per project basis. Fixed fees generally vary from \$1,000 to \$15,000. The fee range stated is a guide. Fees are negotiable and may be higher or lower than this range, based on the nature and complexity of the engagement. You may also engage us for ongoing financial planning and consulting services. Such fees are negotiable and are subject to a fixed monthly or quarterly fee, or can be included as part of a negotiated assets under management fee if you have investment assets for us to manage.

#### Asset Management Fees

The fee for asset management services will be charged a maximum annual fee of 1.2% on the assets under management. Factors affecting fee percentages include the nature and complexity of financial planning, if any, portfolio asset value, complexity, number of accounts, and the amount of assets that we are managing. The firm may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, client holdings, pre-existing/legacy client relationship, account retention, and pro bono activities.

Any fee increases have to be approved in writing by the client and CFG prior to such fees going into effect. In the event the client has an ERISA-governed plan, fee modifications must be approved in writing by the client.

Asset-based fees are always subject to the investment advisory agreement between the client and CFG. Such fees are payable quarterly in advance, and the value used for the fee calculation is the gross value as of the last market day of the previous quarter.

The fees will be prorated if the investment advisory relationship commences otherwise than at the beginning of a calendar quarter. If in any given transaction assets in excess of \$50,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is prorated and the client will either be refunded or assessed

a fee with respect to such assets based upon the number of days remaining in that billing period.

### **Retirement Plan Consulting Fees**

CFG offers retirement plan consulting services for an annual fee based on the amount of plan assets. Such fees are subject to the retirement plan consulting agreement as negotiated between the Plan and CFG. Either party may terminate a retirement plan consulting agreement on 60 days' prior written notice.

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

### **Financial Planning and Consulting Fees**

For clients who have engaged CFG for one-time planning or consulting services and electing to pay a fixed fee, such fee is payable in two equal installments. The first half is due upon execution of the financial planning agreement; the second, representing the remaining balance of the fixed fee, will be due upon receipt of our invoice, which will be issued after delivery of the plan. At the client's option, the entire fee may be paid upon engagement. For prepaid fees in excess of \$1200, services will be completed within six months of the date fees are received. Clients seeking to terminate this service must do so in writing.

In the event the client terminates a financial planning agreement, any unearned fees will be returned on a pro rata basis, based upon the days remaining in the billing period.

### **Asset Management Fees**

CFG generally requires asset management fees to be prepaid on a quarterly basis. CFG requires clients to authorize the direct debit of fees from their accounts. Exceptions may be granted subject to the firm's consent for clients to be billed directly for our fees. For directly debited fees, the custodian's periodic statements will show each fee deduction from the account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying us or their custodian in writing.

CFG will deduct advisory fees directly from the client's account provided that (i) the client provides written authorization to the qualified custodian, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account. The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

A client investment advisory agreement may be canceled at any time by the client, or by CFG with 30 days' prior written notice to the client. Upon termination, any unearned, prepaid fees will be promptly refunded to the client.

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

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, private

placement, pooled investment vehicles, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, each private placement or pooled investment vehicle's confidential offering memoranda, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using CFG may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

Please note that for client accounts the firm maintains, the custodian generally does not charge clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the custodian's accounts ("transaction-based fees"). For accounts enrolled in the asset-based pricing program, the custodian may charge the client a percentage of the dollar amount of assets in the account in lieu of transaction-based fees. The factors the CFG considers before assigning asset-based pricing versus transaction-based pricing include account value, trading volume, and associated transaction costs based on the individual client's suitability and investment objectives.

Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices.

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

CFG's advisory professionals are compensated through a percentage of advisory fees charged to clients or a salary and bonus structure. CFG's advisory professionals may receive commission-based compensation for the sale of insurance products. Please see Item 10.C. for detailed information and conflicts of interest.

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

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

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

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

programs or mutual funds. Although many factors will influence the type of fund to be used, the client should discuss with their investment adviser representative whether a share class from a comparable mutual fund with a more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees given the client's individual needs and priorities and anticipated transaction costs. In addition, the receipt of such fees can create conflicts of interest in instances where the custodian receives the entirety of the 12b-1 and/or revenue sharing fees and takes the receipt of such fees into consideration in terms of benefits it may elect to provide to the firm, even though such benefits may or may not benefit some or all of the firm's clients.

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

CFG does not charge performance-based fees and does not participate in side-by-side management.

## Item 7: Types of Clients

CFG provides its services to individuals, pension and profit-sharing plans, trusts, estates, corporations, and other business entities.

The firm does not impose minimum account balance requirements for opening and maintaining accounts. Certain investment products to which the firm provides advisory services may impose eligibility standards and account minimums including those accessible through independent managers and other financial institutions. Please see the third-party manager's disclosure documents.

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

### A. Methods of Analysis and Investment Strategies

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. There is no guarantee that any specific investment or strategy will be profitable for a particular client.**

#### Methods of Analysis

Each client's portfolio is created through the evaluation of the client's needs that in most cases takes place during a financial planning process. For those clients who have not engaged CFG to provide financial planning services, portfolio construction originates with an evaluation of each client's investment objectives as well as the client's risk tolerance. Our goal is minimizing downside risk for clients. Both sources are part of developing a portfolio that takes into consideration the client's investment horizons, ability and desire to withstand the volatility that can come with investing, and overall goals for each specific portfolio. Where possible, CFG prefers to include financial planning as part of the asset management process to ensure that all client objectives are being considered. Whether a slow evolution or via a life event, the planning process is designed to thoughtfully incorporate these changes into the investments in the client's portfolio. It is essential to our service that the process to be a fully cooperative one, and therefore clients of all account sizes are advised to keep CFG informed of changes in financial circumstances, as these changes could affect the client's asset allocation and financial plan.

Construction of each strategy begins with a determination of the asset allocation for that strategy. Unlike some managers that have fixed percentages for various strategies, or "models", CFG's strategies have asset allocations that can vary based on our opinions of the markets and economic indicators at the time. Asset allocations are not a binary split between equities and fixed income. Rather, CFG includes a number of different asset classes as sub-sets of equity and fixed income. We also look to diversify by investment style and investment products

Once an overall asset allocation is determined, CFG moves on to determine how best to implement that allocation, beginning with an assessment as to whether a passive or active approach is most likely to achieve the desired results. An active path would include the use of a managed account or mutual fund, where a manager makes active decisions for that account or fund. A passive example would be an exchange traded fund or mutual fund. In some instances, both active and passive routes may be taken in constructing a strategy's holdings. The cost of each specific security, both in terms of price and expenses, is also considered when choosing specific securities.

Part of the security selection process is also the consideration of what assets the client already has in the portfolio. Clients may come to CFG with a variety of investments, with a variety of custodians. Where possible and advisable, CFG will advise the transfer of assets in-kind, meaning the asset will not be sold before the account is moved to the custodian under CFG's advisement. Some securities may be kept in the portfolio because of tax issues or other costs associated with a transition. To the extent these securities are not sold, CFG will attempt to build a portfolio



taking these securities into consideration and advise the client if there are additional risks associated with keeping a specific security.

Additionally, part of the CFG process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However, potential for conflicts of interest exist with the exchange of intergenerational information. CFG attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent.

### **Mutual Funds and Exchange-Traded Funds, Individual Securities, Pooled Investment Vehicles, Third-Party Sub-Advisers**

CFG may recommend "institutional share class" mutual funds, exchange-traded funds ("ETFs"), individual securities (including fixed income instruments), and pooled investment vehicles.

CFG may also assist the client in selecting one or more appropriate sub-adviser(s) for all or a portion of the client's portfolio. Such sub-advisers will typically manage assets for clients who commit to the sub-adviser a minimum amount of assets established by that sub-adviser—a factor that CFG will take into account when recommending sub-advisers to clients.

CFG evaluates a variety of information about sub-advisers, which may include the sub-advisers' public disclosure documents, materials supplied by the sub-advisers themselves, and other third-party analyses it believes are reputable. To the extent possible, CFG seeks to assess the sub-advisers' investment strategies, past performance, and risk results in relation to its clients' individual portfolio allocations and risk exposure. CFG also takes into consideration each sub-adviser's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors. CFG continues to provide services relative to the discretionary selection of the sub-advisers. On an ongoing basis, the firm monitors the performance of those accounts being managed by sub-advisers. CFG seeks to ensure the sub-advisers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

Although CFG will seek to select only sub-advisers who will invest clients' assets with the highest level of integrity, CFG's selection process cannot ensure that sub-advisers will perform as desired, and CFG will have no control over the day-to-day operations of any of its selected sub-advisers. CFG would not necessarily be aware of certain activities at the underlying sub-advisers level, including without limitation a sub-adviser's engaging in unreported risks, investment "style drift," or even regulatory breaches or fraud.

A description of the criteria to be used in formulating an investment recommendation for mutual funds, ETFs, individual securities (including fixed-income securities), sub-advisers, and pooled investment vehicles is set forth below.

CFG has formed relationships with third-party vendors that

- provide a technological platform for separate account management
- prepare performance reports

- perform or distribute research of individual securities
- perform billing and certain other administrative tasks

CFG may utilize additional independent third parties to assist it in recommending and monitoring individual securities, mutual funds, sub-advisers, and pooled investment vehicles to clients as appropriate under the circumstances.

CFG reviews certain quantitative and qualitative criteria related to mutual funds and managers and to formulate investment recommendations to its clients. Quantitative criteria may include

- the performance history of a mutual fund or manager evaluated against that of its peers and other benchmarks
- an analysis of risk-adjusted returns
- an analysis of the manager's contribution to the investment return (e.g., manager's alpha), standard deviation of returns over specific time periods, sector and style analysis
- the fund, sub-adviser or manager's fee structure
- the relevant portfolio manager's tenure

Qualitative criteria used in selecting/recommending mutual funds or managers include the investment objectives and/or management style and philosophy of a mutual fund or manager; a mutual fund or manager's consistency of investment style; and employee turnover and efficiency and capacity.

Quantitative and qualitative criteria related to mutual funds and managers are reviewed by CFG on a quarterly basis or such other interval as appropriate under the circumstances. In addition, mutual funds or managers are reviewed to determine the extent to which their investments reflect efforts to time the market, or evidence style drift such that their portfolios no longer accurately reflect the particular asset category attributed to the mutual fund or manager by CFG (both of which are negative factors in implementing an asset allocation structure).

CFG may negotiate reduced account minimum balances and reduced fees with managers under various circumstances (e.g., for clients with minimum level of assets committed to the manager for specific periods of time, etc.). There can be no assurance that clients will receive any reduced account minimum balances or fees, or that all clients, even if apparently similarly situated, will receive any reduced account minimum balances or fees available to some other clients. Also, account minimum balances and fees may significantly differ between clients. Each client's individual needs and circumstances will determine portfolio weighting, which can have an impact on fees given the funds or managers utilized. CFG will endeavor to obtain equal treatment for its clients with funds or managers, but cannot assure equal treatment.

CFG will regularly review the activities of mutual funds and managers utilized for the client. Clients that engage managers or who invest in mutual funds should first review and understand the disclosure documents of those managers or mutual funds, which contain information relevant to such retention or investment, including information on the methodology used to analyze securities, investment strategies, fees and conflicts of interest. Similarly, clients qualified to invest in pooled investment vehicles should review the private placement memoranda or other disclosure materials relating to such vehicles before making a decision to invest.

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

CFG generally invests in the following types of securities:

- Equity securities
- Mutual fund securities
- Exchange-traded funds
- Leveraged and inverse exchange-traded funds
- Exchange-traded notes
- Fixed income securities
- Municipal securities
- Private placements
- Pooled investment vehicles
- Fixed equity annuities
- Fixed equity indexed annuities
- Variable annuities
- Real Estate Investment Trusts ("REITs")
- Private Equity
- Interval Funds

#### **Equity Securities**

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

#### **Mutual Fund Securities**

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

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

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs<sup>®</sup>, streetTRACKS<sup>®</sup>, DIAMONDS<sup>SM</sup>, NASDAQ 100 Index

Tracking Stock<sup>SM</sup> ("QQQs<sup>SM</sup>") iShares<sup>®</sup> and VIPERs<sup>®</sup>. ETFs have embedded expenses that the client indirectly bears.

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

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

#### **Leveraged and Inverse Exchange-Traded Funds ("ETFs")**

Leveraged ETFs employ financial derivatives and debt to try to achieve a multiple (for example two or three times) of the return or inverse return of a stated index or benchmark over the course of a single day. The use of leverage typically increases risk for an investor. However, unlike utilizing margin or shorting securities in your own account, you cannot lose more than your original investment. An inverse ETF is designed to track, on a daily basis, the inverse of its benchmark. Inverse ETFs utilize short selling, derivatives trading, and other leveraged investment techniques, such as futures trading to achieve their objectives. Leverage and inverse ETFs reset each day; as such, their performance can quickly diverge from the performance of the underlying index or benchmark. An investor could suffer significant losses even if the long-term performance of the index showed a gain. Engaging in short sales and using swaps, futures, contracts, and other derivatives can expose the ETF.

There is always a risk that not every leveraged or inverse ETF will meet its stated objective on any given trading day. An investor should understand the impact an investment in the ETF could have on the performance of their portfolio, taking into consideration goals and tolerance for risk. Leveraged or inverse ETFs may be less tax-efficient than traditional ETFs, in part because daily resets can cause the ETF to realize significant short-term capital gains that may not be offset by a loss. Be sure to check with your tax advisor about the consequences of investing in a leveraged or inverse ETF. Leveraged and Inverse ETFs are not suited for long-term investment strategies. These are not appropriate for buy-and-hold or conservative investors and are more suitable for investors who understand leverage and are willing to assume the risk of magnified potential losses. These funds tend to carry higher fees, due to active management, that can also affect performance.

#### **Exchange-Traded Notes ("ETN")**

ETNs are structured debt securities. ETN liabilities are unsecured general obligations of the issuer. Most ETNs are designed to track a particular market segment or index. ETNs have

expenses associated with their operation. When a fund invests in an ETN, in addition to directly bearing expenses associated with its own operations, it will bear its pro rata portion of the ETN's expenses. The risks of owning an ETN generally reflect the risks of owning the underlying securities the ETN is designed to track, although lack of liquidity in an ETN could result in it being more volatile than the underlying portfolio of securities. In addition, because of ETN expenses, compared to owning the underlying securities directly it may be more costly to own an ETN. The value of an ETN security should also be expected to fluctuate with the credit rating of the issuer.

### **Fixed Income Securities**

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

### **Municipal Securities**

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

### **Private Placements**

Private placements carry significant risk in that companies using the private placement market conduct securities offerings that are exempt from registration under the federal securities laws, which means that investors do not have access to public information and such investors are not provided with the same amount of information that they would receive if the securities offering was a public offering. Moreover, many companies using private placements do so to raise equity capital in the start-up phase of their business, or require additional capital to complete another phase in their growth objective. In addition, the securities issued in connection with private placements are restricted securities, which means that they are not traded on a secondary market, such as a stock exchange, and they are thus illiquid and cannot be readily converted to cash.

### **Pooled Investment Vehicles**

A pooled investment vehicle, such as a commodity pool or investment company, is generally offered only to investors who meet specified suitability, net worth and annual income criteria. Pooled investment vehicles sell securities through private placements and thus are illiquid and subject to a variety of risks that are disclosed in each pooled investment vehicle's confidential

private placement memorandum or disclosure document. Investors should read these documents carefully and consult with their professional advisors prior to committing investment dollars. Because many of the securities involved in pooled investment vehicles do not have transparent trading markets from which accurate and current pricing information can be derived, or in the case of private equity investments where portfolio security companies are privately held with no publicly traded market, the firm will be unable to monitor or verify the accuracy of such performance information.

### **Fixed Equity Annuities**

A fixed annuity is a contract between an insurance company and a customer, typically called the annuitant. The contract obligates the company to make a series of fixed annuity payments to the annuitant for the duration of the contract. The annuitant surrenders a lump sum of cash in exchange for monthly payments that are guaranteed by the insurance company. Please note the following risks: (i) Spending power risk. Social Security retirement benefits have cost-of-living adjustments. Most fixed annuities do not. Consequently, the spending power provided by the monthly payment may decline significantly over the life of the annuity contract because of inflation, (ii) Death and survivorship risk. In a conventional fixed annuity, once the annuitant has turned over a lump sum premium to the insurance company, it will not be returned. The annuitant could die after receiving only a few monthly payments, but the insurance company may not be obligated to give the annuitant's estate any of the money back. A related risk is based on the financial consequences for a surviving spouse. In a standard single-life annuity contract, a survivor receives nothing after the annuitant dies. That may put a severe dent in a spouse's retirement income. To counteract this risk, consider a joint life annuity. (iii) Company failure risk. Private annuity contracts are not guaranteed by the FDIC, SIPC, or any other federal agency. If the insurance company that issues an annuity contract fails, no one in the federal government is obligated to protect the annuitant from financial loss. Most states have guaranty associations that provide a level of protection to citizens in that state if an insurance company also doing business in that state fails. A typical limit of state protection, if it applies at all, is \$100,000. To control this risk, contact the state insurance commissioner to confirm that your state has a guaranty association and to learn the guarantee limits applicable to a fixed annuity contract. Based on that information, consider dividing fixed annuity contracts among multiple insurance companies to obtain the maximum possible protection. Also check the financial stability and credit ratings of the annuity insurance companies being considered. A.M. Best and Standard & Poor's publish ratings information.

### **Fixed Equity Indexed Annuities**

An equity-indexed annuity is a type of fixed annuity that is distinguished by the interest yield return being partially based on an equities index, typically the S&P 500. The returns (in the form of interest credited to the contract) can consist of a guaranteed minimum interest rate and an interest rate linked to a market index. The guaranteed minimum interest rate usually ranges from 1 to 3 percent on at least 87.5 percent of the premium paid. As long as the company offering the annuity is fiscally sound enough to meet its obligations, you will be guaranteed to receive this return no matter how the market performs. Your index-linked returns will depend on how the index performs but, generally speaking, an investor with an

indexed annuity will not see his or her rate of return fully match the positive rate of return of the index to which the annuity is linked — and could be significantly less. One major reason for this is that returns are subject to contractual limitations in the form of caps and participation rates. Participation rates are the percentage of an index's returns that are credited to the annuity. For instance, if your annuity has a participation rate of 75 percent, then your index-linked returns would only amount to 75 percent of the gains associated with the index. Interest caps, meanwhile, essentially mean that during big bull markets, investors won't see their returns go sky-high. For instance, if an index rises 12 percent, but an investor's annuity has a cap of 7 percent, his or her returns will be limited to 7 percent.

Some indexed annuity contracts allow the issuer to change these fees, participation rates and caps from time to time. Investors should also be aware that trying to withdraw the principal amount from a fixed indexed annuity during a certain period — usually within the first 9 or 10 years after the annuity was purchased — can result in fees known as surrender charges and could also trigger tax penalties. In fact, under some contracts if withdrawals are taken amounts already credited will be forfeited. After paying surrender charges an investor could lose money by surrendering their indexed annuity too soon.

#### **Variable Annuities**

Variable Annuities are long-term financial products designed for retirement purposes. In essence, annuities are contractual agreements in which payment(s) are made to an insurance company, which agrees to pay out an income or a lump sum amount at a later date. There are contract limitations and fees and charges associated with annuities, administrative fees, and charges for optional benefits. They also may carry early withdrawal penalties and surrender charges, and carry additional risks such as the insurance carrier's ability to pay claims. Moreover, variable annuities carry investment risk similar to mutual funds. Investors should carefully review the terms of the variable annuity contract before investing.

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

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

Non-traded REITs include: (i) A REIT that is registered with the Securities and Exchange Commission (SEC) but is not listed on an exchange or over-the-counter market (non-exchange traded REIT); or, (i) a REIT that is sold pursuant to an exemption to registration (Private REIT).



Non-traded REITs are generally blind pool investment vehicles. Blind pools are limited partnerships that do not explicitly state their future investments prior to beginning their capital-raising phase. During this period of capital-raising, non-traded REITs often pay distributions to their investors.

The risks of non-traded REITs are varied and significant. Because they are not exchange-traded investments, they often lack a developed secondary market, thus making them illiquid investments. As blind pool investment vehicles, non-traded REITs' initial share prices are not related to the underlying value of the properties. This is because non-traded REITs begin and continue to purchase new properties as new capital is raised. Thus, one risk for non-traded REITs is the possibility that the blind pool will be unable to raise enough capital to carry out its investment plan. After the capital raising phase is complete, non-traded REIT shares are infrequently re-valued and thus may not reflect the true net asset value of the underlying real estate investments. Non-traded REITs often offer investors a redemption program where the shares can be sold back to the sponsor; however, those redemption programs are often subject to restrictions and may be suspended at the sponsor's discretion. While non-traded REITs may pay distributions to investors at a stated target rate during the capital-raising phases, the funds used to pay such distributions may be obtained from sources other than cash flow from operations, and such financing can increase operating costs.

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

### **Private Equity**

Private equity is an ownership interest in a company or portion of a company that is not publicly owned, quoted, or traded on a stock exchange. Private equity takes an ownership interest in a company with the goal of enhancing the company's value by bringing about change. Compared to public equity, long-term results of private equity investments are less dependent on overall market performance. Private equity investments are subject to certain risks such as market and investment style risk. Investments are highly illiquid and subject to greater risk. These risks include lack of liquidity, lack of valuation transparency, conflicts of interest, higher management fees, and complex tax structures. Private equity investments may require a longer holding period and are highly speculative and may result in a loss of invested capital. The strategies discussed may only be appropriate for certain qualified investors.

### **Interval Funds**

An interval fund is a type of investment company that periodically offers to repurchase its shares from shareholders. That is, the fund periodically offers to buy back a stated portion of its shares from shareholders. Shareholders are not required to accept these offers and sell their shares back to the fund.



Legally, interval funds are classified as closed-end funds, but they are very different from traditional closed-end funds in that:

- Their shares typically do not trade on the secondary market. Instead, their shares are subject to periodic repurchase offers by the fund at a price based on net asset value.
- They are permitted to (and many interval funds do) continuously offer their shares at a price based on the fund's net asset value.

An interval fund will make periodic repurchase offers to its shareholders, generally every three, six, or twelve months, as disclosed in the fund's prospectus and annual report. Interval funds are not liquid, meaning they are not easily converted into cash. Just as the fund will offer to repurchase a percentage of the fund at intervals, the investor is limited to selling shares at intervals. In other words, interval funds have limited liquidity. As a result, interval funds are only appropriate for clients who do not have short-term cash needs. The price that shareholders will receive on a repurchase will be based on the per share NAV determined as of a specified (and disclosed) date. Note that interval funds are permitted to deduct a redemption fee from the repurchase proceeds, not to exceed 2% of the proceeds. The fee is paid to the fund, and generally is intended to compensate the fund for expenses directly related to the repurchase. Interval funds may charge other fees as well. An interval fund's prospectus and annual report will disclose the various details of the repurchase offer. Before investing in an interval fund, you should carefully read all of the fund's available information, including its prospectus and most recent shareholder report.

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

Our investment strategy is custom-tailored to the client's goals, investment objectives, risk tolerance, and personal and financial circumstances.

### **Margin Leverage**

Although CFG, as a general business practice, does not utilize leverage, there may be instances in which the use of leverage may be appropriate for certain clients and situations or requested by the clients for personal use. In this regard, please review the following:

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

The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of

securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

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

### **Short-Term Trading**

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

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

### **Short Selling**

CFG generally does not engage in short selling but reserves the right to do so in the exercise of its sole judgment. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales are the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

### **Technical Trading Models**

Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.

### **Option Strategies**

Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Each contract is worth 100 shares of the underlying security. Options entail greater risk but allow an investor to have market exposure to a particular security or group of securities without the capital commitment required to purchase the underlying security or groups of securities. In addition, options allow investors to hedge

security positions held in the portfolio. For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

CFG as part of its investment strategy may employ the following option strategies:

- Covered call writing
- Long call options purchases
- Long put options purchases
- Option spreading

#### **Covered Call Writing**

Covered call writing is the sale of in-, at-, or out-of-the-money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

#### **Long Call Option Purchases**

Long call option purchases allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

#### **Long Put Option Purchases**

Long put option purchases allow the option holder to sell or "put" the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

#### **Option Spreading**

Option spreading usually involves the purchase of a call option and the sale of a call option at a higher contract strike price, both having the same expiration month. The purpose of this type of transaction is to allow the holder to be exposed to the general market characteristics of a security without the outlay of capital to own the security, and to offset the cost by selling the call option with a higher contract strike price. In this type of transaction, the spread holder "locks in" a maximum profit, defined as the difference in contract prices reduced by the net cost of implementing the spread. There are many variations of option spreading strategies; please contact the Options Clearing Corporation for a current Options Risk Disclosure Statement that discusses each of these strategies.

### **C. Concentration Risks**

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

## **Item 9: Disciplinary Information**

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

There is nothing to report on this item.

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

On June 29, 2023, the Office of Financial Regulation ("Office") entered a Final Order adopting the Stipulation and Consent Agreement in the matter of Gregory Carl Drozdow. Mr. Drozdow neither admitted nor denied the allegations but consented to the entry of findings by the Office. The Office found that Mr. Drozdow violated Section 517.12(4), Florida Statutes, by rendering investment advice, from a location within Florida, without being registered by the Office. Mr. Drozdow agreed to cease and desist and to pay an administrative fine in the amount of \$10,500. The Office agreed to approve Mr. Drozdow's application as an associated person with Certior Financial Group, LLC, effective June 29, 2023.

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

There is nothing to report on this item.

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

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

Neither CFG nor its affiliates, employees, or independent contractors are registered broker-dealers and do not have an application to register pending.

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

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

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

#### **Insurance Sales**

Certain managers, members, and registered employees of CFG are licensed insurance agents and may recommend insurance products offered by such carriers for whom they function as an agent and receive a commission for doing so. Please be advised there is a conflict of interest in that there is an economic incentive to recommend insurance and other products of such carriers. Please also be advised that CFG strives to put its clients' interests first and foremost, and clients may utilize any insurance carrier or insurance agency they desire.

#### **The Certior Group, LLC**

CFG is under common control with The Certior Group, LLC, which provides administrative services to family trusts. The Certior Group does not act as trustee but will provide administrative, tax, and coaching services to families. While it is not expected that CFG will provide services for The Certior Group's clients, when appropriate, CFG may recommend that clients engage The Certior Group. Recommending the services of an affiliated entity poses a conflict of interest because CFG professionals may have a financial incentive to recommend affiliated entities versus an unaffiliated third party. CFG will attempt to mitigate this conflict by disclosing the conflict to clients, reminding clients that they are under no obligation to engage any professional recommended by CFG, and noting in its policies and procedures each individual representative's obligation to place client interests ahead of their own.

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

CFG may recommend to clients one or more third-party sub-advisers who charge a separate and additional fee for their services. The management fee charged by the sub-adviser is in addition to the advisory fee a client will pay to CFG. Typically, both CFG and the independent manager will each debit their fees separately. Accordingly, while each sub-adviser charges its own

separate fee, CFG does not receive any referral or solicitor compensation, directly or indirectly, from the sub-adviser for the referral of clients.

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

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

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

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

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

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

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

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

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

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

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account



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

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

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

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

## Item 12: Brokerage Practices

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

#### Custodian Recommendations

CFG may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab" or "custodian"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although CFG may recommend that clients establish accounts at the custodian, it is the client's decision to custody assets with the custodian. CFG is independently owned and operated and not affiliated with the custodian. For CFG client accounts maintained in its custody, the custodian generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into custodian accounts.

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

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

#### How We Select Brokers/Custodians to Recommend

CFG seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)

- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

#### **Client's Custody and Brokerage Costs**

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on certain trades that it executes or that settle into your Schwab account ("transaction-based fees"). For accounts enrolled in the asset-based pricing program, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab's asset-based fees applicable to client accounts were negotiated based on the condition that our clients collectively maintain a total asset level in accounts at Schwab. This commitment benefits you because the overall asset-based fees you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians to recommend").

#### **Soft Dollar Arrangements**

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

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

The custodian provides CFG with access to its institutional trading and custody services, which are typically not available to the custodian's retail investors. These services are not contingent upon committing to a custodian any specific amount of business (assets in custody or trading commissions). The custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

**Other Products and Services**

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

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

The custodian may also offer other services intended to help CFG manage and further develop its business enterprise. These services may include

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

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

**Independent Third Parties**

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

**Additional Compensation Received from Custodians**

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

- Receipt of duplicate client statements and confirmations

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

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

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

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

#### **The Firm's Interest in Custodian's Services**

The availability of these services from the custodian benefits the firm because the firm does not have to produce or purchase them. These services are not contingent upon the firm committing any specific amount of business to the custodian in trading commissions or assets in custody. Custodian's services may give the firm an incentive to recommend that clients

maintain their accounts with the custodian based on the firm's interest in receiving the custodian's services that benefit the firm's business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. The firm believes, however, that the selection of the custodian as custodian and broker is in the best interest of clients. It is primarily supported by the scope, quality, and price of the custodian's services and not the custodian's services that benefit only the firm.

### **Brokerage for Client Referrals**

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

### **Directed Brokerage**

#### **CFG Recommendations**

CFG typically recommends Schwab as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

#### **Client-Directed Brokerage**

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

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

### **Best Execution**

CFG, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, and the amount of such securities. CFG recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. CFG will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)

- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

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

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

### **Security Allocation**

Since CFG may be managing accounts with similar investment objectives, CFG may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by CFG in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

CFG's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. CFG will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

CFG's advice to certain clients and entities and the action of CFG for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and circumstances. Thus, any action of CFG with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of CFG to or on behalf of other clients.

### **Order Aggregation**

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same

trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if CFG believes that a larger size block trade would lead to best overall price for the security being transacted.

### **Allocation of Trades**

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

CFG acts in accordance with its duty to seek best price and execution and will not continue any arrangements if CFG determines that such arrangements are no longer in the best interest of its clients.

### **Trade Errors**

From time-to-time CFG may make an error in submitting a trade order on the client's behalf. When this occurs, CFG may place a correcting trade with the broker-dealer. If an investment gain results from the correcting trade, the gain will remain in client's account unless the same error involved other client account(s) that should have received the gain, it is not permissible for client to retain the gain, or CFG confers with client and client decides to forego the gain (e.g., due to tax reasons).

If the gain does not remain in client's account, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, CFG will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in client's account, they may be "netted."



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

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

For those clients to whom CFG's investment professionals provide investment management services, the CFG professional servicing the client monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least an annual basis. We review client-specific needs, objectives, and risk tolerance related to the portfolio strategy, asset allocation, and holdings to ensure they meet the stated objectives. If we are notified of a life event, change in financial situation, change in risk tolerance of a client, we will initiate a review of the portfolio. Such reviews are conducted by the client-servicing professional. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with their CFG advisory professional and to keep them informed of any changes. CFG contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

For those clients to whom CFG provides financial planning services, reviews are conducted in accordance with our contractual obligations.

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

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

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

The client's independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by CFG.

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

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

CFG does not receive economic benefits for referring clients to third-party service providers. We receive an economic benefit from Schwab in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12: Brokerage Practices.

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

The firm may enter into agreements with Solicitors who will refer prospective advisory clients to the firm in return for a portion of the ongoing investment advisory fee our firm collects. Generally, when the firm engages a Solicitor, such Solicitor is compensated through receipt of a portion of the advisory fees we collect from our advisory clients. The receipt of such fees creates a conflict of interest in that the Solicitor is economically incented to recommend our services because of the existence of a fee sharing arrangement with our firm. Please be advised that the firm's payment of a referral fee to the Solicitor does not increase the client's advisory fee paid to the firm.

## Item 15: Custody

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

- The client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account. The custodian maintains actual custody of clients' assets.
- Our authority to direct client requests, utilizing standing instructions, for wire transfer of funds for first-party money movement and third-party money movement (checks and/or journals, ACH, Fed-wires). The firm has elected to meet the SEC's seven conditions to avoid the surprise custody exam, as outlined below:
  1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
  2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
  3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
  4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
  5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
  6. The 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.
  7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

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

## **Item 16: Investment Discretion**

Clients may grant a limited power of attorney to CFG with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, CFG will exercise full discretion as to the nature and type of securities to be purchased and sold, and the amount of securities for such transactions. Investment limitations may be designated by the client as outlined in the investment advisory agreement. In addition, subject to the terms of its investment advisory agreement, CFG may be granted discretionary authority for the retention of independent sub-advisers. Investment limitations may be designated by the client as outlined in the investment advisory agreement. Please see the applicable sub-adviser's disclosure brochure for detailed information relating to discretionary authority.

## Item 17: Voting Client Securities

CFG does not take discretion with respect to voting proxies on behalf of its clients. All proxy material will be forwarded to the client by the client's custodian for the client's review and action. CFG will not give clients advice on how to vote proxies.

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

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

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

## **Item 18: Financial Information**

### **A. Balance Sheet**

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

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

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

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

There is nothing to report on this item.



SEC No. 801-108506

## Brochure Supplement

November 9, 2023

**Avi Kantor**  
**Managing Partner**  
**Investment Adviser Representative**  
Individual CRD No. 2203133

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This brochure supplement provides information about Avi Kantor that supplements the Certior Financial Group, LLC brochure. You should have received a copy of that brochure. If you did not receive a Certior Financial Group, LLC brochure or if you have any questions about the contents of this supplement, please contact us at 610-783-7010 or email [info@certiorfinancial.com](mailto:info@certiorfinancial.com).

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

## Item 2: Educational Background and Business Experience

Avi Kantor (b. 1968) is Managing Partner and an Investment Adviser Representative with Certior Financial Group, LLC.

### A. Educational Background

BA in Political Economics, Tulane University, 1990

### B. Business Background

Managing Partner & Investment Adviser Representative, Certior Financial Group, LLC	11/2016–Present
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Investment Adviser Representative & Registered Representative VOYA Financial Advisors, inc. d/b/a Kantor Financial Group	01/2004–10/2016
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### C. Professional Designations

#### Registered Financial Consultant (RFC®)

The Registered Financial Consultant (RFC®) is a professional designation awarded by the IARFC to those financial advisors who meet high standards of education, experience, and integrity. Candidates must possess a baccalaureate or graduate degree in financial planning services or hold one of the following professional degrees or designations: AAMS, CFA, CFP, ChFC, CLU, CPA, EA, JD. Alternatively, they may complete a CRP-equivalent course at an accredited institution or an IARFC-approved curriculum and pass a written exam. They must also have at least four years of professional experience in the field of financial planning/services, meet local licensing requirements, and adhere to the RFC Code of Ethics. Designees must complete 40 hours per year of continuing education to maintain this designation.

## Item 3: Disciplinary Information

Avi Kantor does not have any disciplinary action to report. Public information concerning his registration as an investment advisor representative may be found by accessing the SEC's public disclosure site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 4: Other Business Activities

Avi Kantor is a licensed insurance agent, and in such capacity may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that he may recommend the purchase of insurance products where he receives insurance commissions or other additional compensation. Certior Financial Group has procedures in place to ensure that any recommendations made by its associates are in the best interest of clients regardless of any additional compensation earned.

Avi Kantor is also engaged in the following activities:

- The Certior Group, LLC – Managing Partner; a family business coaching service.
- Jackson Hole Mountain Resort – PT Adaptive Ski Instructor.



- National Museum of Wildlife Art – Board member and treasurer; no additional compensation.
- Mental Health and Recovery Services of Jackson Hole – Board member; mental health counseling organization; no additional compensation.

#### **Item 5: Additional Compensation**

Avi Kantor receives additional compensation through his business activities described in Item 4 above, unless otherwise noted.

#### **Item 6: Supervision**

Supervision of Avi Kantor is performed by Gery Sadzewicz, Chief Compliance Officer, through reviews of internal transaction and security holdings reports, electronic and physical correspondence, and other internal reports as mandated by the firm and its regulatory authorities. Gery Sadzewicz can be reached at 815-782-1250 Ext. 101.



SEC No. 801-108506

**Brochure Supplement**

November 9, 2023

**Gary P. Gallagher**  
**Investment Adviser Representative**

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This brochure supplement provides information about Gary P. Gallagher that supplements the Certior Financial Group, LLC brochure. You should have received a copy of that brochure. If you did not receive a Certior Financial Group, LLC brochure or if you have any questions about the contents of this supplement, please contact us at 610-783-7010 or email [info@certiorfinancial.com](mailto:info@certiorfinancial.com).

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

## Item 2: Educational Background and Business Experience

Gary P. Gallagher (b. 1961) is an Investment Adviser Representative with Certior Financial Group, LLC.

### A. Educational Background

BS in Business Administration, Bloomsburg University, 1983

### B. Business Background

Investment Adviser Representative, Certior Financial Group, LLC	11/2016–Present
Registered Representative, Mutual Securities, Inc.	11/2016–12/2022
Investment Adviser Representative & Registered Representative VOYA Financial Advisors, Inc. d/b/a Kantor Financial Group	09/2014–10/2016
Investment Adviser Representative & Registered Representative ING Financial Partners, Inc.	07/2010–08/2014

## Item 3: Disciplinary Information

Gary P. Gallagher does not have any disciplinary action to report. Public information concerning his registration as an investment advisor representative may be found by accessing the SEC's public disclosure site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 4: Other Business Activities

Gary P. Gallagher is a licensed insurance agent with various insurance carriers, and in such capacity may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that he may recommend the purchase of insurance products where he receives insurance commissions or other additional compensation. Certior Financial Group has procedures in place to ensure that any recommendations made by its associates are in the best interest of clients regardless of any additional compensation earned.

Gary P. Gallagher is also engaged in the following activities:

- Methacton Education Foundation – Member of board of directors, finance, and fund development committees; 501 (c)3 that funds educational programs for the Methacton School District; no additional compensation.
- Trinity Christian UCC – Chairman of finance & cemetery committees and member of outreach & property committees; religious non-profit organization; no additional compensation.
- FCS Partners, LLC – Partner; production of organic engineered soil, compost, and mulch.

#### **Item 5: Additional Compensation**

Gary P. Gallagher receives additional compensation through his business activities described in Item 4 above, unless otherwise noted.

#### **Item 6: Supervision**

Supervision of Gary P. Gallagher is performed by Avi Kantor, Managing Partner, through reviews of internal transaction and security holdings reports, electronic and physical correspondence, and other internal reports as mandated by the firm and its regulatory authorities. Avi Kantor can be reached at 610-783-7010.



SEC No. 801-108506

## **Brochure Supplement**

November 9, 2023

**Adam S. Peltzman**  
**Investment Adviser Representative**  
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This brochure supplement provides information about Adam S. Peltzman that supplements the Certior Financial Group, LLC brochure. You should have received a copy of that brochure. If you did not receive a Certior Financial Group, LLC brochure or if you have any questions about the contents of this supplement, please contact us at 610-783-7010 or email [info@certiorfinancial.com](mailto:info@certiorfinancial.com).

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

## Item 2: Educational Background and Business Experience

Adam S. Peltzman (b. 1978) is an Investment Adviser Representative with Certior Financial Group, LLC.

### A. Educational Background

BS in Economics, University of Delaware, 2000

### B. Business Background

Investment Adviser Representative, Certior Financial Group, LLC	06/2017–Present
President, Health and Benefits Partners, LLC	10/2003–Present
Registered Representative, Mutual Securities, Inc.	06/2017–12/2022
Registered Representative, VOYA Financial Advisors, Inc.	09/2014–06/2017

### C. Professional Designations

#### CERTIFIED FINANCIAL PLANNER™ (CFP®) Professional

Individuals certified by CFP® Board have taken the step to demonstrate their professionalism voluntarily submitting to the CFP® certification process that includes thorough education, examination, experience and ethical requirements. The CFP® is issued by the Certified Financial Planner Board of Standards, Inc. Prerequisites require a designee to hold a Bachelor's degree (or higher) from an accredited college or university as well as three years of full-time personal financial planning experience. In addition, candidates must complete a CFP-board registered program (or hold an accepted designation degree, or license) and take the CFP Certification examination. To maintain certification, the designee is required to complete 30 hours of continuing education every two years and continue to agree to be bound by the Standards of Professional Conduct.

#### Registered Health Underwriter® (RHU®)

The Registered Health Underwriter® (RHU®) designation is administered by The American College. Designees must complete two required and one elective college-level course covering such topics as group benefits, individual health insurance, and managed care. Additional program requirements must be met, including a minimum of three years of business experience, ethics standards, and agreeing to comply with The American College Code of Ethics and Procedures. Continuing Education for this designation requires 30 hours every two years.

## Item 3: Disciplinary Information

Adam Peltzman does not have any disciplinary action to report. Public information concerning his registration as an investment advisor representative may be found by accessing the SEC's public disclosure site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### **Item 4: Other Business Activities**

Adam Peltzman is a licensed insurance agent and President of Health and Benefits Partners, LLC, and in such capacity may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that he may recommend the purchase of insurance products where he receives insurance commissions or other additional compensation. Certior Financial Group has procedures in place to ensure that any recommendations made by its associates are in the best interest of clients regardless of any additional compensation earned.

Adam Peltzman is also engaged in the following activities:

- ARA Properties, LLC – President; real estate holding company
- GNA Associates, LLC – Partner; insurance sales
- SGH Brokerage – Shareholder; insurance agency
- Today is a Good Day – VP board member; organization for families experiencing the Neonatal Intensive Care Unit; no additional compensation
- Overall Supply Associates LLC – Shareholder; janitorial supply sales
- BJA LLC – Shareholder; insurance sales

#### **Item 5: Additional Compensation**

Adam Peltzman receives additional compensation through his business activities described in Item 4 above, unless otherwise noted.

#### **Item 6: Supervision**

Supervision of Adam Peltzman is performed by Avi Kantor, Managing Partner, through reviews of internal transaction and security holdings reports, electronic and physical correspondence, and other internal reports as mandated by the firm and its regulatory authorities. Avi Kantor can be reached at 610-783-7010.



SEC No. 801-108506

## **Brochure Supplement**

November 9, 2023

**Patrick K. Hansen**  
**Investment Adviser Representative**  
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This brochure supplement provides information about Patrick K. Hansen that supplements the Certior Financial Group, LLC brochure. You should have received a copy of that brochure. If you did not receive a Certior Financial Group, LLC brochure or if you have any questions about the contents of this supplement, please contact us at 610-783-7010 or email [info@certiorfinancial.com](mailto:info@certiorfinancial.com).

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



## Item 2: Educational Background and Business Experience

Patrick K. Hansen (b. 1985) is an Investment Adviser Representative with Certior Financial Group, LLC.

### A. Educational Background

BS in Business Administration, St. Joseph's University, 2008

### B. Business Background

Investment Adviser Representative, Certior Financial Group, LLC	11/2016–Present
Registered Representative, Mutual Securities, Inc.	11/2016–04/2023
Investment Adviser Representative & Registered Representative VOYA Financial Advisors, inc. d/b/a Kantor Financial Group	09/2014–10/2016
Client Relationship Associate, The Vanguard Group, Inc.	08/2010–09/2014

### C. Professional Designations

#### **CERTIFIED FINANCIAL PLANNER™ (CFP®) Professional**

Individuals certified by CFP® Board have taken the step to demonstrate their professionalism voluntarily submitting to the CFP® certification process that includes thorough education, examination, experience and ethical requirements. The CFP® is issued by the Certified Financial Planner Board of Standards, Inc. Prerequisites require a designee to hold a Bachelor's degree (or higher) from an accredited college or university as well as three years of full-time personal financial planning experience. In addition, candidates must complete a CFP-board registered program (or hold an accepted designation degree, or license) and take the CFP Certification examination. To maintain certification, the designee is required to complete 30 hours of continuing education every two years and continue to agree to be bound by the Standards of Professional Conduct.

## Item 3: Disciplinary Information

Patrick Hansen does not have any disciplinary action to report. Public information concerning his registration as an investment advisor representative may be found by accessing the SEC's public disclosure site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 4: Other Business Activities

Patrick Hansen is a licensed insurance agent with various insurance carriers, and in such capacity may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that he may recommend the purchase of insurance products where he receives insurance commissions or other additional compensation. Certior Financial Group has procedures in place to ensure that any recommendations made by its associates are in the best interest of clients regardless of any additional compensation earned.

Patrick Hansen is also a financial planning volunteer with the After Innocence Project, an organization that provides assistance to those who were wrongfully incarcerated. He receives no additional compensation through this activity.

#### **Item 5: Additional Compensation**

Patrick Hansen receives additional compensation through his business activities described in Item 4 above, unless otherwise noted.

#### **Item 6: Supervision**

Supervision of Patrick Hansen is performed by Avi Kantor, Managing Partner, through reviews of internal transaction and security holdings reports, electronic and physical correspondence, and other internal reports as mandated by the firm and its regulatory authorities. Avi Kantor can be reached at 610-783-7010.



SEC No. 801-108506

## **Brochure Supplement**

November 9, 2023

**Gregory C. Drozdow**  
**Investment Adviser Representative**  
Individual CRD No. 6082474

Aventura, FL  
phone: 305-333-3157  
email: [greg@certiorfinancial.com](mailto:greg@certiorfinancial.com)  
[www.drozdowfinancial.com](http://www.drozdowfinancial.com)

Main Office  
20104 Valley Forge Circle  
King of Prussia, PA 19406  
phone: 610-783-7010  
email: [info@certiorfinancial.com](mailto:info@certiorfinancial.com)  
website: [www.certiorfinancial.com](http://www.certiorfinancial.com)

This brochure supplement provides information about Gregory C. Drozdow that supplements the Certior Financial Group, LLC brochure. You should have received a copy of that brochure. If you did not receive a Certior Financial Group, LLC brochure or if you have any questions about the contents of this supplement, please contact us at 610-783-7010 or email [info@certiorfinancial.com](mailto:info@certiorfinancial.com).

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

## Item 2: Educational Background and Business Experience

Gregory C. Drozdow (b. 1990) is an Investment Adviser Representative with Certior Financial Group, LLC.

### A. Educational Background

BA in Health Science and Policy & Business, Brandeis University, 2012

### B. Business Background

Investment Adviser Representative, Certior Financial Group, LLC	01/2021–Present
Account Executive/Director of Business Development, Snappy Kraken	01/2020–03/2023
Registered Representative, Pruco Securities, LLC	11/2018–01/2021
Financial Professional, Prudential Insurance Company of America	11/2018–01/2021
Registered Representative, Hornor Townsend & Kent, Inc.	09/2015–11/2018
Agent, Penn Mutual Life Insurance Co.	09/2015–11/2018

## Item 3: Disciplinary Information

On June 29, 2023, the Office of Financial Regulation (“Office”) entered a Final Order adopting the Stipulation and Consent Agreement in the matter of Gregory Carl Drozdow. Mr. Drozdow neither admitted nor denied the allegations but consented to the entry of findings by the Office. The Office found that Mr. Drozdow violated Section 517.12(4), Florida Statutes, by rendering investment advice, from a location within Florida, without being registered by the Office. Mr. Drozdow agreed to cease and desist and to pay an administrative fine in the amount of \$10,500. The Office agreed to approve Mr. Drozdow’s application as an associated person with Certior Financial Group, LLC, effective June 29, 2023.

Public information concerning his registration as an investment advisor representative may be found by accessing the SEC’s public disclosure site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 4: Other Business Activities

Gregory C. Drozdow is a licensed insurance agent with various insurance carriers, and in such capacity may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that he may recommend the purchase of insurance products where he receives insurance commissions or other additional compensation. Certior Financial Group has procedures in place to ensure that any recommendations made by its associates are in the best interest of clients regardless of any additional compensation earned.

## Item 5: Additional Compensation

Gregory C. Drozdow receives additional compensation through his business activity described in Item 4 above.

## **Item 6: Supervision**

Supervision of Gregory C. Drozdow is performed by Avi Kantor, Managing Partner, through reviews of internal transaction and security holdings reports, electronic and physical correspondence, and other internal reports as mandated by the firm and its regulatory authorities. Avi Kantor can be reached at 610-783-7010.



SEC No. 801-108506

## **Brochure Supplement**

November 9, 2023

**Elizabeth M. Shamir**  
**Investment Adviser Representative**  
Individual CRD No. 1557600

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King of Prussia, PA 19406  
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email: [info@certiorfinancial.com](mailto:info@certiorfinancial.com)  
website: [www.certiorfinancial.com](http://www.certiorfinancial.com)

This brochure supplement provides information about Elizabeth M. Shamir that supplements the Certior Financial Group, LLC brochure. You should have received a copy of that brochure. If you did not receive a Certior Financial Group, LLC brochure or if you have any questions about the contents of this supplement, please contact us at 610-783-7010 or email [info@certiorfinancial.com](mailto:info@certiorfinancial.com).

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

## Item 2: Educational Background and Business Experience

Elizabeth M. Shamir (b. 1954) is an Investment Adviser Representative with Certior Financial Group, LLC.

### A. Educational Background

MBA, Columbia University, 1977

BS in Consumer Economics, Cornell University, 1975

### B. Business Background

Investment Adviser Representative, Certior Financial Group, LLC	06/2017–Present
Registered Representative, Mutual Securities, Inc.	06/2017–12/2022
Registered Representative, VOYA Financial Advisors	09/2014–06/2017
Registered Representative, Financial Independence Planning, LLC	07/2012–06/2017

### C. Professional Designations

#### Chartered Financial Analyst® (CFA®)

The CFA® designation is an international professional certificate that is offered by the CFA Institute. Candidates that pursue the certification have in-depth knowledge of securities types and investment vehicles. In order to qualify for a CFA®, candidates must meet standards for examination, education, experience, and ethics. Candidates must possess a bachelor's degree from an accredited school or its equivalent and have completed 48 months of qualified professional work experience. Candidates must pass a series of three six-hour exams that covers ethics, quantitative methods, economics, corporate finance, financial reporting and analysis, security analysis, and portfolio management. Candidates must meet and continue to adhere to a strict Code of Ethics and Standards governing their professional conduct.

## Item 3: Disciplinary Information

Elizabeth Shamir does not have any disciplinary action to report. Public information concerning her registration as an investment advisor representative may be found by accessing the SEC's public disclosure site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 4: Other Business Activities

Elizabeth Shamir is a licensed insurance agent with various insurance companies, and in such capacity may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that she may recommend the purchase of insurance products where she receives insurance commissions or other additional compensation. Certior Financial Group has procedures in place to ensure that any recommendations made by its associates are in the best interest of clients regardless of any additional compensation earned.

Elizabeth Shamir is on the Investment Committee of Congregation Beth Or, a non-profit organization. She receives no compensation for this activity.

Elizabeth Shamir also serves as Membership VP for Temple Sinai Sisterhood, a non-profit organization. She receives no compensation for this activity.

#### **Item 5: Additional Compensation**

Elizabeth Shamir receives additional compensation through her insurance activities described in Item 4 above.

#### **Item 6: Supervision**

Supervision of Elizabeth Shamir is performed by Avi Kantor, Managing Partner, through reviews of internal transaction and security holdings reports, electronic and physical correspondence, and other internal reports as mandated by the firm and its regulatory authorities. Avi Kantor can be reached at 610-783-7010.





# Certior Financial Group

## Privacy Notice

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

### INFORMATION WE COLLECT

CERTIOR FINANCIAL GROUP, LLC and its affiliate THE CERTIOR GROUP, LLC must collect certain personally identifiable financial information about its clients to ensure that it offers the highest quality financial services and products. The personally identifiable financial information which we gather during the normal course of doing business with you may include:

1. information we receive from you on applications or other forms;
2. information about your transactions with us, our affiliates, or others;
3. information collected through an Internet "cookie" (an information collecting device from a web server); and
4. information we receive from a consumer reporting agency.

### INFORMATION WE DISCLOSE

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as permitted by law. We do not disclose your personal information to any third party for the purpose of allowing that party to market other products to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

### CONFIDENTIALITY AND SECURITY

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.