

## Part 2A of Form ADV: Firm Brochure



### **Capital Asset Advisory Services LLC. DBA CG Advisory Services**

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This brochure provides information about the qualifications and business practices of Capital Asset Advisory Services LLC. (DBA CG Advisory Services, hereinafter CG Advisory Services). If you have any questions about the contents of this brochure, please contact us at 517-339- 7662 or [kene@cgadvisornetwork.com](mailto:kene@cgadvisornetwork.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about CG Advisory Services is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 110929. Registration with the Securities and Exchange Commission does not imply a certain level of skill or training.

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## Item 2. Material Changes

We have made no material changes to this Form ADV Part 2A Brochure since it was our last annual filing with the SEC on March 31, 2024.

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## Item 4. Advisory Business

CG Advisory Services (“CGAS”) is an SEC-registered investment adviser with its principal place of business located in Michigan. CG Advisory Services began conducting business in 2004.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Anthony Joseph Mazzali, Managing Member

As of December 31, 2024, CG Advisory Services had total assets under management of \$4,020,782,560 all of which are managed on a discretionary basis.

CG Advisory Services offers the following advisory services:

### **Investment Advisory Services and Portfolio Management**

We offer a variety of investment advisory financial services to our Clients. Our services include Portfolio Management of Securities, Consulting, Financial Planning Services, Retirement Plan, and 401(k) services, all of which are discussed below in further detail. The management of all non-bespoke Client portfolios are performed using our discretionary customized proprietary model investment programs and bespoke non-program models. For the supervisory portfolio management of securities programs, the management of the Client's portfolio is delivered through use of a discretionary bespoke APM model developed in consultation with the Client immediately prior to or at the time the Client's advisory account is opened.

For all investment discretionary investment advisory and related services described below, we tailor our products in accordance with the Client specific needs in a documented financial plan or based on client risk assessment. This process involves taking multiple factors into consideration, including, but not limited to, investment objectives, goals, time horizon, risk tolerance, income requirements, as well as any reasonable guidelines and restrictions a Client may impose that are subject to CGAS approval prior to implementation to reasonably ensure such restrictions do not impede the Client's goals or financial plan.

Our advisory services include recommendations to rollover client's or prospective client's retirement plans, such as a defined benefit plan, defined contribution plans, health savings plans, educational savings plans and individual retirement accounts (“IRA”), into another retirement account or IRA, managed by CGAS where we earn a fee. When we make rollover recommendations to manage a retirement account, we are a fiduciary under Title I of the Employee Retirement Income Security Act (“ERISA”) and the Internal Revenue Code (“IRC”), which governs retirement accounts. As such, we operate under a special standard of care rule to provide prudent advice requiring us to act in your best interest and not put our interests ahead of yours, charge no more than a “reasonable fee”, as defined under ERISA, and not make any false or misleading statements.

We are required to give you basic information about our conflicts of interests, such as when we make rollover recommendations this allows us to earn an additional fee that is in our interest and disclose other conflicts of interest in the way we make money, as more fully described in under Item 10 of this Brochure.

All Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with CGAS. Insurance products are also offered to our Client through affiliated insurance brokers, as more fully described below.

## Financial Planning Services

We offer a variety of services to assist the Client with the management of the Client's financial resources, on a discretionary and non-discretionary basis, based upon an analysis of the Client's individual needs. The process typically begins with an initial complementary consultation. If during or after the initial consultation the Client decides to engage us for financial planning services, we meet with the Client to collect pertinent information about their personal and financial circumstances and objectives. Once we have analyzed all the information we have gathered, we create a written financial plan, tailored to the Client's financial goals and objectives.

We also offer advice on a single aspect of the management of the Client's financial condition. For these Clients, we offer one-time and ongoing consulting services that address only those specific areas of interest or concern.

We consider the following types of investments in developing a financial plan. However, we can provide advice on any type of investment that we deem appropriate based on the Client's stated goals, objectives, and risk:

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*Exchange-Listed Securities, Securities Traded Over-The-Counter, Warrants, Corporate Debt Securities, Commercial Paper, Certificates of Deposit, Municipal Securities, Mutual Fund Shares, US Government Securities, Options Contracts on Securities, Real Estate Investment Trusts ("REITs"), and Other Investments previously held at the start of the Client's financial planning process*

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## Retirement Plan Services

We provide business analysis, fiduciary investment review, fiduciary education, plan review, participant and plan sponsor communication, participant education, retirement plan fee benchmarking, retirement plan consulting, employee benefits consulting, executive benefits analysis, retirement plan analysis, and employee benefits analysis to employers and business as part of our general service offering in our Business Services division. We also work with plan trustees to review the costs and services of the record-keeper and Third-Party Administrator (TPA) by benchmarking the plan with other providers.

As part of our standard offering, we work with employers to select investments in the retirement plan lineup that retirement plan participants would then choose to invest their contributions in. We do not have investment discretion on these investments, and only make available a menu of options for employees to select. We will then instruct the Recordkeeper to create a portfolio using the funds available in the plan that correlate to the investment classes in the model portfolio

We communicate changes in the model portfolios to the various Recordkeepers, who make the appropriate changes in the participant's holdings. As part of our education, we help clients understand the investment options to align with their investment objectives within the plan itself. The investment selections and recommendations are monitored and assessed in accordance with the retirement plan's investment policy statement.

## General Financial Consulting

We provide general financial consulting services to clients and businesses depending on their needs. Typically, the consultant will meet with the client and develop an asset allocation or investment policy

statement based on the Clients' individual financial objectives, needs, risk and circumstances. The client is under no obligation to use CGAS for either our consulting services or to execute any recommendations.

## Item 5. Fees and Compensation

We offer our Clients a package of supervisory investment management discretionary advisory services that includes financial planning, administration, fee billing, and reporting, where Client assets are held at unaffiliated qualified custodial platform established through direct Client negotiated arrangements with the custodial platform. Portfolio management is provided through a Client selected model of predetermined investments designed to meet our Clients' financial plan investment objectives and needs. All models are constructed, managed, and maintained by CGAS, including separately customized models constructed by Investment Adviser Representatives ("IARs") for Clients who do not select one of the standard CGAS constructed models more fully described below. We maintain and monitor all models on our systems, software, and technology, some of which are provided to us, in part, from custodians where Client assets are held. Our fees for Platform services include an advisory fee for continuous portfolio management and implementation. Client fees will take into consideration several factors, including aggregate assets under management and the complexity of the services to be provided. Additionally, there are separate and distinct brokerage, custody, and other related fees charged by the custodian which vary by custodian and the arrangement we have negotiated as part of our servicing agreement with the custodian. As for the reporting and administrative services we provide, the Client also pays a separate administrative fee, charged by CG Advisor Network.

### Investment Advisory Fees

We charge investment advisory fees in the following ways: a flat annual fee; fixed with respect to the type of account or advisory management provided; or based on the percentage of market value of assets held in accounts under management our standard billing procedure described in *Item 5 Section: Standard Billing Procedures*. For certain accounts, we utilize a combination of the aforementioned methodologies due to the complexity and nature of the relationship.

The maximum fee (Adviser Fee + CGAS Administrative fee) that a Client can be charged is 2.50% of assets under management as more fully described in Item 5: Section: Standard Billing Procedures. We charge a minimum annual fee of \$3,000 for households with less than \$250,000 of adviser-managed assets. This minimum fee is negotiable at the sole discretion of the Adviser based on, including but not limited to, complexity of relationship, size of assets, and potential future business.

### Hybrid Fee Structure

Advisors offer clients the option of combining a percentage of market value of an assets under management (AUM) as more fully described in Item 5 Section: Standard Billing Procedure and a flat fee. This fee structure is referred to as a "blended fee" or "hybrid fee" structure. The AUM is charged on an ongoing basis (e.g., annually) and is intended to compensate the adviser for ongoing investment management and other advisory services that are provided throughout the year. The flat fee is typically charged for specific services or projects that are outside the scope of ongoing investment management.

The services include but are not limited to the creation of a detailed financial plan, tax planning, retirement planning, or any other services that fall outside the standard advisory services offered. In a blended fee structure, the AUM fee and the flat fee are combined into a single fee that is charged to

the client. The specific percentage of AUM and the flat fee amount are at the discretion of the advisor, the level of service provided, and the client's needs. The AUM percentage fee in these arrangements is commonly lower than a client with assets of a similar level that does not require additional services.

## **Additional Fee Information:**

### **CGAN Managed Model Portfolios**

WealthMark and WealthBuilder are CGAN Managed Model Portfolios offered to Clients with an annual advisory fee of up to 2.00% of assets under management and an annual administrative fee typically of .50% of account billable value to cover costs associated with servicing the Client's account (including costs for technology and miscellaneous costs associated with providing administrative services apart from investment advice, such as processing Client requests for asset transfers, disbursements, portfolio management and trading costs, compliance, and other such administrative matters.) These administrative services are provided by CG Advisor Network, an affiliate of CGAS. This presents a conflict of interest which is discussed in more detail in Item 10: *Other Industry Activities and Affiliations* below. The associated fees are directly debited from Client's custodial accounts, as more fully described in *Item 5 Section: Standard Billing Procedures* unless billed directly via invoice.

### **CGAS Managed Select Accounts**

CGAS Managed Select Accounts are offered to Clients with an annual advisory fee of up to 2.00%. All Managed Select Accounts will pay an additional administrative fee of up to .50% to cover costs associated with servicing the Client account (including costs for technology and miscellaneous costs associated with providing administrative services apart from investment advice, such as processing Client requests for asset transfers, disbursements, portfolio management, trading costs, compliance, and other such administrative matters.) These administrative services are provided by CG Advisor Network, an affiliate of CGAS. This presents a conflict of interest which is discussed in more detail in Item 10: *Other Industry Activities and Affiliations* below. In addition, SMA Managers also charge a quarterly manager fee for use of their SMA products on the Orion platform. These fees typically range between 20 to 55 basis points.

We will directly debit the CGAS Managed Select fees from the Client's custodial account as more fully described in *Item 5 Section: Standard Billing Procedures* unless we agree to bill the Client directly via invoice.

### **Flagship Equity Model**

We offer a strategy to clients consisting of individual stocks. This strategy differs from the other CGAS strategies in that clients are charged a separate manager fee of up to .40% of assets under management, in addition to the Advisory and Admin fees. This fee is billed along with the advisory and administrative fees as more fully described in *Item 5 Section: Standard Billing Procedures* and includes the additional services required by our IC team to administer this strategy, including investment research, due diligence, and ongoing monitoring of the positions.

### **Third-Party Managers**

In certain circumstances, CG Advisory Services may recommend or utilize third-party investment managers to manage client assets. The use of such managers is further detailed in Item 8 of this Brochure. Clients should be aware that engaging a third-party manager may result in additional fees separate from the advisory or administrative fees charged by CG Advisory Services. These third-party manager fees are established by the respective manager and are payable directly to them. CG

Advisory Services does not receive compensation from these third-party fees unless otherwise disclosed. Clients should carefully review the terms and costs associated with engaging any third-party manager.

### Adviser as Portfolio Manager Accounts

We offer Adviser as Portfolio Manager (“APM”) accounts where the Client is charged an Advisory Fee of up to 2.00% of assets under management as more fully described in *Item 5 Section: Standard Billing Procedures*. In addition, these Accounts will pay an additional annual administrative fee of

.50% to cover costs associated with servicing the Client account (including costs for technology and miscellaneous costs associated with providing administrative services apart from investment advice, such as processing Client requests for asset transfers, disbursements, portfolio management and compliance, and other related administrative matters).

Alternatively, we offer APM accounts where our Investment Adviser Representative could either be paid a separate negotiable fee of up to 1.00% of assets under management to build a Client a bespoke APM model to trade either away from or through a selected custodian (where Client accounts are primarily held as described below in *Item 12: Brokerage Practices*) without receiving any of the additional reporting services offered through CGAS.

### Financial Planning Services

We provide financial planning services on either an hourly or fixed fee basis. Our hourly fee for financial planning services is up to \$300. Our fixed fee financial planning is negotiable but will generally range from \$400 to \$5,000 depending upon the nature and complexity of the Client’s circumstances.

During the setup process, the Client signs a fee agreement with the IAR detailing the fees and services and agrees to pay either via invoice or at time of agreement execution, with a check paid to CG Advisory Services (or CGAS) or through a payment service like PayPal. All financial plans will be delivered within six months of the contract date, provided Client delivers all information required by adviser in a timely manner. However, if negotiated, we offer alternative payment options that include an initial retainer fee equal to one-half of the estimated fee in advance of any services rendered. The balance would then be due upon completion of the contracted services. Ultimately, the financial planning fees are payable upon completion of the contracted services.

Fixed financial planning fees are typically based on the Client’s net worth. The standard schedule of fees is the following and are negotiable based on the nature of the client relationship or complexity of client need.

<u>Net Worth</u>	<u>Fee</u>
Up to \$200,000	Up to \$1,000
\$200,001 to \$500,000	Up to \$1,500
\$500,001 to \$1,000,000	Up to \$2,000
\$1,000,001 to \$1,500,000	Up to \$2,500
\$1,500,001 to \$2,000,000	Up to \$3,000
\$2,000,001 to \$3,000,000	Up to \$4,000
Above \$3,000,000	Negotiable



Either party may terminate the financial planning agreement within five days of the date of acceptance without penalty. After the five-day period, either party may terminate the financial planning agreement by providing written notice to the other party. Prepaid fees will be returned pro-rated based on the percentage of work already performed on the plan. Earned, unpaid fees are due and payable upon termination via a check written to CGAS. Payments that are received via invoice must be with a check made payable to CGAS, or with a credit card payable to CGAS.

In some circumstances, the financial plan may require the services of a specialist such as an accounting, insurance, trust provider, attorney, or tax accountant. CGAS may recommend affiliated or third-party service providers, however the Client is under no obligation to use any service provider recommended by CGAS. Fees for specialists will be negotiated between the Client and the service provider separately from their arrangement with CGAS.

### *Financial Planning Engagement Fees*

Our Advisors charge an Engagement Fee to clients in situations that require substantial effort to properly gather and organize client data to establish and support the advice engagement. We offer a one-time engagement fee for up to \$3,500. Additionally, if the complexity of the client relationship requires, we charge an ongoing engagement fee of up to \$10,000 per year. These engagement fees are negotiable at the sole discretion of the adviser based on, including but not limited to, complexity of relationship, size of assets, and potential future business.

### **Retirement Plan Services**

We charge clients for our services in one of three manners. Depending on the size, service model, and complexity of the plan, we charge with a flat fee, a percentage fee based on the amount of assets (AUM) invested in the plan at the time of the billing cycle, or a combination of a flat fee and percentage, more applicable in complex situations. We use industry tools to assess the fee that we charge which performs an aggregate search of similar plans based on general services, industry, plan demographics, and service model. This tool provides a benchmark recommended fee compared to a general universe of advisors. This assists in standardizing fees and ensuring they are competitive with the current market. Our fee is separate and distinct from any other fee that would be charged to a client. A client is likely to be charged a separate fee if they utilize a Third- Party Administrator (TPA), Recordkeeper, or Custodian (if separate from recordkeeper).

Our standard billing procedure involves the recordkeeper pulling our fee from the assets of the plan and transmitting the funds to our firms. Frequency of the billing cycle is determined by each client's particular agreement, and can be set up on a monthly, quarterly, semi-annual, or annual basis. By request, we will invoice a client for our services where they will pay via check or payment service like PayPal.

CGAS, the plan, or the participant may terminate the advisory agreement within five days of the date of acceptance without penalty to the Client. After the five-day period, either party, upon written notice to the other, may terminate the agreement. After termination, Clients receive a prorated refund of any prepaid advisory fees based on the number of days remaining in the period. All prorated refunds are based on actual services provided and termination costs incurred up to and at the time of the termination of the Firm's services.

### **General Consulting Services**

We offer two payment options for consulting services. One option includes an hourly rate of up to \$300 per hour. This hourly rate is negotiable and is payable as earned. These fees are payable by

invoice with a check made out to CGAS or through a payment service like PayPal. Alternatively, the Client can be charged an annual advisory fee of up to 1.00% of advised assets. These fees are charged in advance in quarterly increments of up to 0.25% of assets under management, either paid from an existing advisory account, or by check or credit card payment made payable to CGAS. This Agreement may be terminated by either party at any time without penalty upon receipt of written notice. If Client terminates this Agreement within five (5) business days of its signing, Client shall receive a full refund of all consulting fees. If this Agreement is terminated after five (5) business days of its signing, any prepaid consulting fees shall be prorated, and the unused portion shall be returned to Client.

## **Additional Services**

We offer additional services as a component of wealth management services, or on an *a la carte* basis. These services include Financial Planning, Financial Consulting, Estate Planning, Tax Planning, and Retirement Planning. The maximum fee for arrangements charged at an hourly rate is

\$300 per hour. CGAS offers stand-alone “Additional Services” for a fixed agreed-upon fee based on the nature and complexity of the services to be provided and the overall relationship with the Adviser. Fees are negotiable at the sole discretion of the Adviser based on, including but not limited to, complexity of relationship, size of assets, and potential future business.

## **Standard Billing Procedure**

Advisory fees for standard accounts are calculated and billed through Axxcess, a third-party vendor described in Item 10: Other Financial Industry Activities and Affiliations. Fees may be assessed in advance, at the beginning of each quarter for services to be provided over the upcoming three-month period, or in arrears, at the end of each quarter for services rendered during the preceding three months. This is deducted directly from the Client’s custodial account who contractually provides authorization directly to the custodian for such direct advisory fee debiting. The billable market value is based on the last day of the quarter reported on Orion, which receives a file directly from the custodian with the previous day’s market values.

Orion calculates fees based on the number of days in the quarter, rather than splitting the year into fourths. In circumstances where the client engagement falls outside of our standard offering, we offer flexibility of monthly billing on an ad hoc basis to accommodate client needs. Additionally, Orion will bill accounts monthly that have been set up after the quarterly billing, and bills or refunds accounts respectively that are opened or closed during a billing cycle. Similar prorated billing also applies to contributions or withdrawals made during the billing cycle only if greater than \$50,000.

For billing practices CGAS has a standard procedure to maintain a 1% minimum cash position in our models, however, if cash is not available or sufficient at the time of billing in APM accounts, we communicate with the IAR advising on the account to sell securities. If there is not enough cash in the account, a fee will not get pulled from the account. For accounts that we manage, we ensure enough cash is available for billing as part of our standard model management.

## **Termination**

Either party may terminate an Agreement at any time without penalty upon receipt of written notice. Such termination shall not, however, affect liabilities or obligations incurred or arising from transactions initiated under this Agreement prior to such termination, including the provisions

regarding arbitration, which shall survive any expiration or termination of this Agreement. Upon termination, the Client shall have the exclusive responsibility to monitor the securities in the Account, and Adviser shall have no further obligation to act or advise with respect to those assets. If the Client terminates this Agreement within five (5) business days of its signing, the Client shall receive a full refund of all fees and expenses. If this Agreement is terminated after five (5) business days of its signing, any prepaid fees shall be prorated, and the unused portion shall be returned to the Client.

### **Additional Fee Information**

*Mutual Fund/ETF Fees and Separate Managed Account Managers:* All investment advisory and other services fees paid to CG Advisory Services are separate and distinct from the fees and expenses charged by mutual funds, separate managed account managers, and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus, a copy of which is provided to the Client either at the time of purchase or shortly thereafter by the custodian. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a Client may pay a front-end load, back-end load or deferred sales charge. Any 12b-1 fee, if assessed, is not paid to or otherwise shared with CGAS. CGAS aims to select mutual funds that do not have 12b-1 fees when appropriate. As a matter of practice, we encourage our IARs to select the cheapest share classes when available and continuously monitor accounts to identify opportunities for cheaper share classes.

*Additional Fees and Expenses:* In addition to our advisory fees, Clients are typically also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges or soft dollar related costs within the scope of permissible regulatory requirements. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

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

CG Advisory Services does not charge performance-based fees or engage in side-by-side management.

## **Item 7. Types of Clients**

CG Advisory Services provides advisory services to the following types of Clients:

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*Individuals (other than high net worth individuals), High Net Worth Individuals, Pension and Profit Sharing Plans (other than plan participants), Charitable Organizations, and Corporation or other businesses not listed above.*

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We recommend a minimum investment of \$25,000 per family for WealthMark account portfolios and \$5,000 per family for WealthBuilder account programs. For Managed Select Accounts under CGAS Management, the suggested minimum investment is between \$500,000 per household. There are no minimum account requirements for APM.

The WealthMark, WealthBuilder Program, CGAS Managed Select, and APM Accounts are available to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

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

### Methods of Analysis, Investment Strategies and Risk of Loss

#### Methods of Analysis

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

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

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

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

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

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

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

*Mutual Fund and/or ETF Analysis:* We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the Client's portfolio. We also monitor the funds or ETFs to determine if they are continuing to follow their stated investment strategy.

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

*Risks for all forms of analysis:* Our securities analysis methods rely on the assumption that the

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

*Use of Artificial Intelligence:* CGAS utilizes artificial intelligence ("AI") tools to enhance operational efficiencies, including meeting notetaking, documentation support, data analysis, research assistance, and other administrative functions. These tools assist in streamlining internal processes but do not replace human judgment or decision-making.

AI service providers are vetted to ensure they meet CGAS's compliance, security, and confidentiality standards. While AI enhances efficiency, it operates within predefined parameters and may be subject to limitations such as contextual misunderstandings, the inability to interpret nuanced regulatory requirements, and constraints in recognizing exceptions that require human intervention. These outputs are intended to supplement—not replace—expert review, as AI models may be influenced by biases in source data or encounter challenges in handling complex or ambiguous information. CGAS remains committed to ensuring that AI tools are used responsibly, with appropriate oversight, to maintain the integrity and reliability of business processes.

### Investment Strategies

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

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

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

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

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

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains in our non-wrap program.

*Option writing:* We use options as an investment strategy when appropriate. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option

is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period. We may buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period. We may buy a put if we have determined that the price of the stock will fall before the option expires.

We use options to "hedge" or limit the potential upside and downside risk of a security in a Client's account.

Our policy allows us to use "covered calls", in which we sell an option on a security in the Client's account to earn the fee from the sale of the option that gives the buyer the right to call or acquire the security from the Client's account at the strike or pre-determined option contract price. This occurs in holdings that we believe have reached their expected market value and would be subject to selling but instead decide to earn the premium income in lieu of selling and forgoing any additional upside in the holding.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we are obligated to buy the option back from the option buyer, for a possible loss. However, in most instances the option expires and becomes worthless to the purchaser who sustains a loss in the form of the purchase price of the option plus brokerage commission.

*Risk of Loss:* Securities investments are not FDIC guaranteed, and the Client may lose money on their investments.

*Alternative Investment Platform:* Through a relationship with Crystal Capital Partners, LLC ("Crystal") we may provide our qualified clients with customized private equity and hedge fund portfolios. Crystal specializes in building customized portfolios that help complement the existing holdings of client investments. With Crystal's services, we will have access to top-tier private equity and hedge fund managers, detailed analytics, reporting and comprehensive due diligence previously only available to the largest institutions. Most customized accounts will be invested with investment managers or investment funds through a series fund organized by Crystal. The investment managers and investment funds that we recommend will be selected from a list that has been developed by Crystal, based on its quantitative and qualitative research of the managers and funds. After a client approves the customized portfolio that we recommend, the client will invest in a series or portfolio of a fund that is managed by Crystal ("Crystal Fund"). The Crystal Fund is a private investment fund that has several segregated portfolios. Each portfolio is a separate pool of assets constituting a separate fund with its own investment objectives and policies.

*Risk of Loss:* A Portfolio's liquidity is determined by the liquidity of its underlying Exposures ("Portfolio's Available Liquidity"). A Member's liquidity is determined by the liquidity of the Portfolio ("Member's Available Liquidity"). The Portfolio Advisor shall be responsible for the ongoing monitoring of the Portfolio's and the Member's Available Liquidity. The Portfolio's and Member's Available Liquidity may be materially affected by, among other things: (i) the Exposure's liquidity; (ii) (iii) the allocations by the Portfolio into various Exposures (a "Portfolio Rebalance"); and the timing of the Member's Subscriptions into and/or Redemptions out of the Portfolio. The Fund, through its proprietary website, will provide each Member with a "Liquidity Schedule" indicating the Member's Available Liquidity, and the Portfolio Advisor with a Liquidity Schedule indicating each of its Member's



and Portfolio's Available Liquidity. Liquidity is dynamic in nature and changes daily. The Portfolio's Liquidity Schedule incorporates a 15-day notice period, in addition to the notice periods of the Exposures, which is required by the Fund in order to process Redemptions and Portfolio Rebalance sales.

An investment in the Fund involves a high degree of economic risk and is suitable generally for Eligible Members who are able to bear the risk of a total loss of the capital invested in the Fund. There is no assurance that the Fund or Member will achieve its investment objective. Prospective Members should review carefully this Offering Memorandum and the documents referred to herein before deciding to invest in the Fund (see "VII –CERTAIN RISK FACTORS"). Prospective Members should have the financial ability and willingness to understand and accept the risks and limited liquidity involved in an investment in the Fund.

*Environmental, Social, and Governance:* CGAS does not explicitly recommend ESG investing strategies to clients. If a client has a personal preference to be invested in an ESG investment, we will seek a well-diversified fund or stock manager. Selecting a fund or fund manager does not guarantee that the holdings will all be ESG compliant nor to the clients specific preferences.

*Risks:* ESG investing can add risks beyond traditional market risks, due to the exclusion of securities from the investable universe, generating a portfolio with exposures concentrated in the remaining securities. CGAS mitigates these risks by seeking products that are either: Actively managed to mitigate risks in an ongoing manor, or broadly diversified in an effort to maintain a risk profile similar to the market index.

## Item 9. Disciplinary Information

Our firm and our management personnel have no reportable disciplinary events to disclose.

## Item 10. Other Financial Industry Activities and Affiliations

Certain of our Investment Adviser Representatives ("IARs") are registered representatives of LPL Financial ("LPL"), which is an unaffiliated securities broker-dealer (members of FINRA, SIPC) and an investment adviser registered with the Securities and Exchange Commission as broker- dealer registered representatives ("Dually Registered Persons"). In their capacity as registered representatives of LPL Financial, certain Dually Registered Persons earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through CGAS.

In addition, our IARs are also licensed insurance agents. Our IARs receive compensation for their activities as registered representatives or insurance agents.

Due to these affiliations some of our employees and investment adviser representatives receive commission for the sale of insurance products or securities offered through affiliated and unaffiliated insurance and FINRA member brokerage firms. This practice presents a potential conflict of interest because it creates an incentive to recommend investment products based on the compensation received, rather than on a Client's needs. To address the potential conflict of interest, CGAS has developed procedures and protocols reasonably designed to ensure that CGAS, and individuals representing CGAS act in our Client's best interest by adhering to the investment objectives, guidelines, restrictions, and investment models selected by our Clients. This is accomplished through the pro-active monitoring of model holdings, reasonably ensuring any commissions paid are usual and customary, and by informing Clients that there is no obligation to purchase insurance products through

entities affiliated with CGAS. Our financial planning, 401(k), and non-discretionary Clients, who approve all recommendations and receive conflict disclosures in advance, are informed of the costs and have no obligation to purchase products recommended by the IARs. (See Item 12 Brokerage Practices) In addition, CGAS advisory clients are not required to use the insurance or brokerage services of our IARs.

LPL receives a fee that is paid by CGAS upon receipt of an invoice, in accordance with an arm's length agreement, to defray the costs for the functions LPL are required to carry out by FINRA. This fee is not passed to our Clients in the form of increase execution or brokerage charges or imputed as part of our advisory fee.

Our owners are also the owners and officers of Capital Asset Insurance Services, Inc., ("CAIS") a licensed insurance agency in the State of Michigan. Through CAIS licensed agents, some of which are CGAS IARs, offer insurance products from a variety of product sponsors. CGAS IARs, who are also licensed insurance agents, effect transactions in insurance products and earn the standard and customary commissions for these activities. This occurs primarily because we have Clients who also are Clients of CAIS. Clients may use the insurance agency and agent of their choosing and are under no obligation to use the services of CAIS or of any of its insurance agents for insurance services. This represents a conflict of interest, which we take the steps below to mitigate. Our advisory fees are separate and distinct from any commissions earned by CAIS or its insurance agents for the sale and servicing of insurance products.

The Client should be aware that the receipt of additional compensation by our firm and our management persons or IARs creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. We endeavor at all times to put the interest of our Clients first as part of our fiduciary duty as a registered investment adviser.

We take the following steps to address these conflicts:

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



The Owners of CGAS are also Owners of CG Financial Services, a DBA with IARs registered under CGAS. The Owners offer advisory services under CGAS. CG Financial Services has clients who are also CGAS clients, but also have clients that are not associated with CGAS. Clients have no obligation to use the services of CG Financial Services separate from the advisory business of CGAS. CGAS has developed safeguards to segregate customer data from CG Financial Services who are also not owners of CGAS. We endeavor at all times to put the interest of our Clients first as part of our fiduciary duty as a registered investment adviser.

We take the following steps to address these conflicts:

- Disclose to Clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory Clients in addition to our firm's advisory fees;
- Disclose to Clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;

Certain of CGAS' owners are also the owners of CG Advisor Network ("CGAN"). CGAN provides administrative and compliance services to CGAS and its affiliates that include the following:

- Providing the Chief Compliance Officer for CGAS, the investment adviser; • Implementing and Administering Compliance program for CGAS;
- Compliance assistance to all CGAS investment adviser representatives; • Portfolio management;
- Trading;
- Identifying and screening individuals for employment as investment adviser representatives;
- Payroll, accounting, bill-paying, and other back-office services;
- Providing staff to assist in the above functions. CGAN does not provide investment advice.

This arrangement presents a conflict of interest since CGAS's affiliated entity CGAN receives fees for the services they provide, which in turn compensates the shared owners for being the Client's investment adviser and performing the administrative and compliance functions. This gives CGAS an incentive to use CGAN for these services rather than an unaffiliated service provider since they share in the revenue generated.

We take the following steps to address this conflict:

- Disclose to Clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory Clients in addition to revenue from CGAN's services;
- Disclose to Clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- CGAS will confirm on an annual basis that the fees in the Schedule are consistent with prevailing market rates for the provision of similar TPA services.

We use a third-party vendor “Sub-Advisor” (Axxcess) to perform certain investment administration services, including trading CGAS client models, account maintenance, and advisory fee billing through Orion. We have entered into an agreement with Axxcess which includes an obligation to follow our written Policies and Procedures and to conduct due diligence and monitoring of Client accounts to reasonably ensure our clients are treated in a fair manner. Trades placed for execution on behalf of clients through Orion are generally executed through the client’s custodian. Orion software is designed to see best execution across multiple custodians, if the case arises to place trades in a model account on more than one custodian, including custodians where clients’ assets are held. As part of this relationship, CGAS accesses certain other managers of investment models offered through Axxcess.

In accordance with this agreement, Axxcess has agreed to match the management fee for these other models on the Orion platform to reasonably ensure fair treatment of clients who will pay management fees that are no higher than fees charged by CGAS. We reserve the right based on available best pricing to choose between utilizing another Manager’s models on the Axxcess platform or to go directly through the Orion platform. By using Axxcess, clients will not be charged a higher advisory fee than the fees we charge our clients. All fees paid to Axxcess for these services are payable from the Administrative Fee CGAS customarily charges clients, which did not increase as a result of this relationship.

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

Our officers, employees, and IARs buy or sell – for their personal account(s) – investment products identical to those recommended to Clients. These investment products are widely held and publicly traded. It is our policy that no person employed by our firm shall give preference to his or her own interest to that of the advisory Client.

It is further noted that our investment advisory business is in and shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, we have adopted a firm wide policy statement outlining insider-trading compliance by the Firm, its associated persons, and other employees.

We have established the following restrictions in order to ensure our fiduciary responsibilities:

1. Our employees, including associated persons, shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with our firm, preferred custodian, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory Clients<sup>iii</sup>.
2. We maintain a restricted list of issuers when the firm, including its officers, employees, and associated person, are in possession of material non-public information of a publicly listed security.
3. Personal and Client transactions are reviewed regularly to identify potential conflicts of interests and resolve any conflict, should one arise, in the best interest of our Clients.
4. All Clients are fully informed that certain individuals may receive separate compensation when affecting transactions during the implementation process.
5. We emphasize the unrestricted right of the Clients to decline to implement any advice rendered, except in situations where a Client has granted discretionary authority.
6. We require that all individuals act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

7. Any individual not in observance of the above may be subject to termination.

In accordance with Section 204-A of the Investment Advisers Act of 1940, the Adviser also maintains and enforces written policies reasonably designed to prevent the misuse of material non- public information by the Adviser or any person associated with the Adviser.

We provide a copy of its Code of Ethics (“COE”) to any Client or prospective Client upon request to the Chief Compliance Officer at CGAS’ principal address. The firm’s COE requires all access persons, including immediate family members of the same household, to initially, upon employment, and annually thereafter to provide personal trading account holdings. We also require access persons to certify quarterly any transactions during the period and whether they have opened or closed any personal trading brokerage accounts. In addition, certain types of transactions must be pre-cleared by the firm’s Compliance Department.

## Item 12. Brokerage Practices

### **Custodian Considerations**

CGAS elects to work with several custodians based on the need and fit of our client base; any custodian CGAS selects to work with is an unaffiliated SEC-registered broker-dealer and FINRA member. The recommended custodian offers independent investment advisers services, which include custody of securities, trade execution, clearance, and settlement of transactions. CGAS considers a number of factors in selecting brokers and custodians at which to locate (or recommend location of) its Client accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. CGAS performs an analysis of services provided considering the overall costs that are compared to competitors in the industry.

We receive support services and/or products from selected custodians, many of which assist in better monitoring and servicing program accounts maintained at selected custodian; however, some of the services and products benefit CGAS and not client accounts. These support services and/or products may be received without cost, at a discount, and/or at a negotiated rate, and include any or a combination of the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data • compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events • marketing support
- other products and services used by CGAS in furtherance of its investment advisory business operations

In the event the custodian provides any of these services or products they may do so directly or

arrange for third party vendors to do so. In the case of third-party vendors, selected custodian may pay for some or all the third party's fees.

The support services that are provided to CGAS are based on the overall relationship between CGAS and the selected custodian. It is not the result of soft dollar arrangements or any other express arrangements with the selected custodian that involves the execution of client transactions as a condition of the receipt of services. CGAS will continue to receive the services regardless of the volume of client transactions executed with selected custodian. Clients do not pay more for services because of this arrangement. There is no corresponding commitment made by CGAS to selected custodian or any other entity to invest any specific amount or percentage of client assets in any specific securities because of the arrangement. However, because the Adviser receives benefits from selected custodian, there is a potential conflict of interest. The receipt of these products and services presents a financial incentive for Adviser to recommend that its clients use the selected custodial platform rather than another custodian's platform that is less costly to Clients who separately pay for custody services.

We reasonably believe that our selected custodian's blend of execution services and transaction costs as well as professionalism is consistent with our best execution and fiduciary duty to the Client.

We anticipate that most trades will be executed at our selected custodians; however, in unusual circumstances, we reserve the right to engage the services of other custodians and brokers who may offer comparable or better services at a lower cost.

Therefore, there is no soft dollar component to the ticket charges that would require disclosure of the conflicts of interest related to soft dollars that would further necessitate the required disclosure that these services fall within the ambit of the safe harbor under section 28(e) of the Securities Exchange Act of 1934 for the receipt of such benefits.

Since we recommend the custodian where Clients' transactions are executed, CGAS can be deemed to be requesting that Clients instruct CGAS to execute transactions through the respective custodian as a directed broker. Not all investment advisers require Clients to direct brokerage. In most instances, directing brokerage will limit CGAS' ability to negotiate commission price and commission rates that directly impacts its duty to seek best execution for its Client, and may cost Clients more money. While this generally may be accurate, CGAS Clients invest primarily in mutual funds and ETFs and the limitations associated with directing brokerage is not as prevalent where a Client primarily pays an industry standard ticket charge and not a standard commission rate per share.

We have negotiated a standard pricing model with each custodian that we believe is favorable for our Clients because we are not a high-volume or tactical trader. There is no direct link between CGAS's negotiations and the investment advice it gives to its Clients. Benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; consulting services; access to a trading desk serving CGAS 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 based on client authorization; access to an electronic communications network for Client order entry and account information; and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to CGAS by third party vendors. CGAS does not receive any third-party, proprietary research, or other brokerage related services in the event IARs trade away from selected custodian.

The benefits received by CGAS or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to the custodian. As part of its fiduciary duties to

Clients, CGAS endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by CGAS or its related persons in and of itself creates a potential conflict of interest because we do not have to pay for these services and can influence CGAS's choice of custody and brokerage services. This potential conflict is addressed by annually reviewing this arrangement by comparing it to competitor platforms.

We may, at our sole discretion, allow Clients to direct us to use a broker-dealer of their own choosing, unless we deem it to be inconsistent with our fiduciary duty and/or our Client's best interest. When Clients direct us to use another broker-dealer, we make it clear to Clients that we will likely not be able to aggregate orders, we will not have the authority to negotiate commission rates among various brokers, and our obligation to seek best execution may not be achieved.

### **Additional Disclosures Regarding LPL**

LPL Financial provides various benefits and payments to Registered Person that are new to the LPL Financial platform to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL Financial platform (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Registered Person's business, satisfying any outstanding debt owed to the Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL Financial as a result of the Registered Person's clients transitioning to LPL Financials custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

Transition Assistance payments and other benefits are provided to associated persons of CGAS in their capacity as custody only advisory representatives of LPL Financial. In certain instances, the receipt of such benefits is dependent on a Registered Person maintaining its clients' assets with LPL Financial and therefore CGAS has an incentive to recommend that clients maintain their account with LPL Financial in order to generate such benefits.

The transition assistance is not contingent upon, nor does it require, the purchase, endorsement, or placement of any products or services. CGAS does not purchase, endorse, or promote any products or services as a condition of receiving support.

CGAS attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL Financial's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any Registered Person. When recommending that clients maintain accounts with LPL Financial, CGAS evaluates several factors, of which include but are not limited to size and stability of custodian, client pricing, technology, best execution, and client needs and goals. However, clients should be aware of this conflict and consider it while deciding whether to custody their assets in a brokerage account at LPL Financial.

### **Financial Planning, Ongoing Consulting, and Retirement Planning Services**

At all times, financial planning, ongoing consulting, and Retirement Planning Services Clients are free to execute their plan recommendations through any broker-dealer without the assistance of our IARs.

Some CGAS IARs are also registered as representatives of LPL, a broker/dealer and FINRA member firm. We recommend that a Client in need of brokerage and custodial services utilize LPL, however the

Client is not required to choose LPL as the broker-dealer. LPL is required to supervise the securities trading activities of its registered representatives.

As stated previously, individuals associated with CGAS are licensed as registered representatives of LPL Financial. As a result of this licensing relationship, LPL Financial is responsible for supervising certain activities of CGAS to the extent CGAS manages assets at a broker/dealer and custodian other than LPL Financial. LPL Financial charges a fee for this oversight.

This presents a conflict of interest in that CGAS has a financial incentive to recommend that you maintain your account with LPL Financial rather than another custodian to avoid the oversight fee. However, to the extent CGAS recommends you use LPL Financial for such services, it is because CGAS believes that it is in your best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial.

## **Trade Aggregation**

Orders are placed with the execution broker through a module that identifies purchase and sell orders for securities that are no longer within the defined parameters of the model. These orders are aggregated for all Client model driven transactions for the same security in the same direction when there are multiple Client accounts managed in this manner. All participating accounts receive the average share price for the transaction and bears a proportionate share of any transaction costs, based on each account's participation in the transaction, subject to our discretion primarily for individually traded accounts depending on factual or market conditions and the duty to seek best execution for Client accounts. In certain circumstances proprietary or personal accounts are included in block trades with clients. These proprietary or personal accounts managed by the firm are treated as Client accounts and are given neither preferential nor inferior treatment versus other Client accounts.

We do not allocate trades on the basis of account performance or the amount or structure of management fees.

However, the following factors will impact the way allocation to a Client's accounts deviates either from the model and individually traded accounts that do not participate in an eligible recommendation:

1. An account's existing positions in securities;
2. The cash availability of one or more particular accounts;
3. A partial fill of the block trade;
4. Tax reasons.

We receive no additional compensation or remuneration of any kind due to the aggregation of Client trades.

In APM Accounts, orders placed through Orion flow directly to the custodian without Orion's intervention. This means that there is a straight flow through of trade instructions placed in Orion sent directly to the custodian. Advisers also have the option to place orders for execution directly with the custodian's respective trading tool. Trade information flows back and forth from TD Ameritrade and Orion via a direct data feed.



## Item 13. Review of Accounts

### **CGAN Managed Model Portfolios**

Our Investment Committee continuously reviews the securities in WealthMark and WealthBuilder Portfolios. Allocations in model portfolios are reviewed by the Investment Committee at least quarterly.

The Client account is reviewed by the Investment Adviser Representative responsible for the Client account at least annually. More frequent reviews may be triggered by material economic, political or market events, or by changes in the Client's financial situation.

### **CGAS Managed Select Accounts**

Our Investment Committee continuously reviews the securities in CGAS Managed Select Account Portfolios. Allocations in model portfolios are reviewed by the Investment Committee at least semi-annually and reviewed on an ongoing basis. The Client account and risk assessment reviewed by the responsible Investment Adviser Representative with the Client account at least annually. More frequent reviews may be triggered by material economic, political or market events, or by changes in the Client's financial situation. These commonly employ Separately Managed Accounts (SMAs) which are subject to all the same considerations as active fund managers above.

### **Adviser as Portfolio Manager Accounts**

We continuously review and monitor the securities held in APM Accounts on an ongoing basis. The Client account is reviewed at least quarterly by our compliance team and is reviewed by the Investment Adviser Representative with the Client at least annually. More frequent reviews may be triggered by material economic, political or market events, or by changes in the Client's financial situation. CGAS encourages Advisers to review trade logs on client accounts daily.

### **Investment Committee**

The IC convenes at least quarterly to review the allocations in the investment models described above as a means of managing the effectiveness of the models by reviewing the underlying allocations to each model. Models are adjusted, as needed, if not performing as expected based off industry and sector peers and client portfolios are adjusted or rebalanced, depending on the extent of changes made to the model. All client accounts are managed pari-passu to the model to reasonably ensure no one client account is systematically advantaged or disadvantaged.

### **Reports to Clients**

The account custodian is responsible for providing monthly or quarterly account statements which reflect the position (and current pricing), as well as transactions in each account, including fees paid from an account. CGAS also makes available to Clients via their Client portal in Orion Quarterly Performance Reports.

Our investment adviser representatives meet with all clients at least annually to reaffirm each client's risk assessment or financial plan, investment objectives, goals, risk and whether the client may wish to change existing or impose new investment restrictions on their account, subject to CGAS acceptance to reasonably ensure such changes do not interfere or otherwise the client from achieving their investment objectives and goals.

## Item 14. Client Referrals and Other Compensation

### Client Referrals

Our firm from time to time pays referral fees to independent persons or firms ("Promoters") for introducing Clients to us. In the event we anticipate compensating a Promoter above the *de minimis* amount (\$1,000 value over a 12-month period) for testimonials or endorsements, we enter into a Promoter Agreement, in accordance with conditions set forth under Rule 206(4)-1 of the Investment Advisers Act of 1940. Whenever we compensate a Promoter for a referral, we require the Promoter to provide the prospective Client with a separate disclosure statement that includes the following information:

- Statement that any testimonial or endorsement received was provided by either an existing CGAS client or non-client, respectively;
- The Promoter's name and relationship with our firm;
- The fact that the Promoter is receiving or has received cash or non-cash compensation for the referral;
- The amount of the cash or non-cash compensation and the material terms of or such compensation arrangement;
- Any conflicts of interest connected to compensation received by the promoter or nature of relationship with CGAS; and;
- As a matter of firm practice, the advisory fees paid to us by Clients referred by Promoters are not increased as a result of any referral.

Additionally, we utilize endorsements in our advertising material that does not require a Promoter Agreement as described above. However, we are still obligated to disclose that such endorsement was given by a non-client, the material terms of any cash or non-cash compensation provided or to be provided, directly or indirectly, to the Promoter, any conflicts of interest either in connection with the receipt of cash or non-cash compensation that may be provided or the nature of the Promoter's relationship with the firm and its related entities, as applicable.

## Item 15. Custody

We do not have physical custody of any accounts or assets. However, we are deemed to have custody of client assets because we debit our advisory fees directly from our clients' accounts held at a number of different qualified custodians and due to third-party standing letters of authorizations (or "SLOAs") for the wiring of money from clients' custodial accounts to third parties, based on instructions provided by the client. CGAS is not required to obtain an independent surprise audit of clients' custodial accounts by an independent accounting firm that is registered with and frequently reviewed by the Public Company Accounting Oversight Board ("PCAOB"), as would customarily be required under SEC custody rules for advisers who maintain SLOAs, due to subsequent relief provided by the SEC in a no-action letter. We have obtained assurances from the banking institutions who physically hold our Client's assets, as qualified custodians, that they have adopted procedures in accordance with an SEC no-action letter dated February 21, 2017, setting forth 6 of 7 items described that affords us relief from the examination requirement.

As part of this billing process, we have engaged an unaffiliated third-party to serve as our billing agent both in the calculation and collection of the advisory fee we charge our Clients.



We have confirmed with our Clients' custodians that Clients receive a quarterly account statement of their account holdings and account activity for the period. We also send our Clients a report of holdings that contains a legend advising our Clients to carefully review their custodial statements to verify the accuracy of our fee calculation, among other things, and that Clients should contact us directly or the custodian for any discrepancies either in our fee calculation or holdings.

As discussed previously, certain advisory persons of CGAS are registered representatives of LPL Financial. As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about CGAS clients, even if client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, 517-339-7662 or [kene@cgadvisornetwork.com](mailto:kene@cgadvisornetwork.com).

## Item 16. Investment Discretion

We have discretionary authority to manage Client accounts in accordance with the investment advisory agreement we enter into directly with our Clients on either a discretionary basis that is limited in scope to the specific model selected by the Clients. Our Clients accounts are managed through a customized bespoke model that is developed in consultation with one of our investment professionals that is tailored to the Clients specific requirements, including any investment restrictions or guidelines the Client may impose. All models are designed to meet the investment objectives, guidelines, and restrictions of the Client based on the Client risk assessment or financial plan.

All firm developed models are maintained by our investment professionals who have the authority to recommend changes to these models that are subject to approval by way of the committee. When model changes occur, we have the authority to sell and buy securities that comprise the model that will bring Client accounts within the model weighting. For these customized models developed in consultation with investment professionals responsible for managing the Client's account, buy and sell security transactions generally occur the same way as described above but at times certain select securities may need to be manually placed with brokers selected to execute the Client transactions. We have discretionary authority to determine the broker or dealer to be used and negotiate the commission rates paid unless we are placing orders with the Client's custodian.

## Item 17. Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of Clients. Clients are responsible for instructing each custodian to forward copies of all proxies and shareholder communications relating to the Client's investment assets. We may provide Clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business. However, voting assistance is not a separate firm product offering. A copy of our proxy voting policy and procedures is available by contacting CGAS Compliance at [compliance@cgadvisornetwork.com](mailto:compliance@cgadvisornetwork.com).

## Item 18. Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per Client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that has discretionary authority, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. CG Advisory Services has no additional financial circumstances to report.

CGAS has not been the subject of a bankruptcy petition at any time during the past ten years.

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<sup>i</sup> This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of our Clients' trade in sufficiently broad markets to permit transactions by Clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with our records in the manner set forth above.

<sup>ii</sup> Open-end mutual funds and/or the investment sub-accounts, which may comprise a variable insurance product, are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by IARs are not likely to have an impact on the prices of the fund shares in which Clients invest and are therefore not prohibited by our investment policies and procedures.