
Form ADV

Part 2A: The Brochure

March 31st, 2025



Bronxville, New York

Capital Preservation Partners, Inc (CPP)

Part 2A of Form ADV

The Brochure

55 Pondfield Rd
Bronxville, NY 10708
www.cpp.bz

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This brochure provides information about the qualifications and business practices of CPP. If you have any questions about the contents of this brochure, please contact us by telephone at (914) 337-2272, by facsimile at (914) 961-1715 or through our web site at www.cpp.bz. 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 and SEC registration does not imply a certain level of skill or training.

CPP delivers its Form ADV Part 2 along with each new client's investment advisory agreement. Following signature of the investment advisory contract, client has 5 days to unconditionally rescind the contract at no charge. Client is bound however to settle any transactions CPP may have effected for the account during the 5 days at client's risk. Form ADV Part 2 is also provided annually to existing clients if there are material changes or upon request.

Additional information about CPP is also available on the SEC's website at: www.adviserinfo.sec.gov.

Material Changes

The following is only a description of the material changes to this brochure since its last annual update, dated March 31st, 2024.

- Item 4 - Advisory Business; In November 2024 our firm hired Madeline Noveck, an investment advisor who specializes in portfolio management. This addition enhances our ability to provide investment advice, financial planning and portfolio management.

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4. ADVISORY BUSINESS

CPP was established in 1992 and became registered with the U.S. Securities and Exchange Commission in 2009.

Kevin Mullins and Ilir Leo Gjoni are joint owners and share responsibility for all operations of CPP. CPP provides its clients with financial planning and both discretionary and, on occasion, non-discretionary investment advisory services. Further information about CPP's advisory services and financial planning can be found below. CPP generally recommends to clients that they arrange for custody of their accounts at Charles Schwab & Co. ("Schwab")

5. FEES AND COMPENSATION

A. Investment Advisory Services

Prior to engaging CPP to provide investment advisory services, clients are required to enter into a formal Investment Advisory Agreement with CPP setting forth the terms and conditions under which CPP will manage the client's investments, and the fees or other charges the client will pay. Separate account application, bank information and custodial documents may also be required prior to establishing an account.

CPP determines a suitable portfolio based upon the information provided by the client as to the Client's investment objectives, risk tolerance and financial circumstances. CPP will create tailored investment portfolios though the use of but not limited to stocks, bonds, mutual funds, ETF's, equity linked CDs, preferred notes, etc. CPP will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, factor exposure, asset class or style drift, account additions/withdrawals, and/or a change in the client's investment objective, financial position, or tax situation. Based upon these factors, it is not uncommon that an extended period of time will pass where CPP determines that changes to a client's portfolio are neither necessary nor prudent. CPP primarily recommends that clients allocate their investment assets among various equity, fixed income and REIT products. CPP then designs an investment portfolio in accordance with the client's investment objectives, risk tolerance, and investment restrictions (if any) imposed by the client. CPP generally requires the client(s) to grant our firm discretionary authority to manage their account(s). Discretionary authorization allows CPP to determine the specific securities, and the securities, to be purchased or sold for your account without the client's prior consent. As of CPP's fiscal year end (December 31, 2024), CPP manages [\$194,742,020] on a discretionary basis and [\$ 5,843,056] on a non- discretionary basis.

B. Financial Planning

To the extent specifically requested, and as determined by a client, CPP may also include planning in connection with (i) financial independence/retirement planning; (ii) capital and liquidity needs analysis and related financial modelling; (iii) philanthropy planning and implementation; (iv) education planning; (v) employee stock option planning; (vi) consideration and evaluation of financing transactions and risk reduction strategies for concentrated equity positions; (vii) advice incident to major asset purchases and sales; and (viii) managing philanthropic plans, tax strategies, wealth transfer strategies, and legacy plans as desired. Planning and consulting services are offered to clients in varying combinations and with various corresponding fee arrangements depending upon the level and scope of the requested service(s) to be provided.

C. Wrap Fees Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. CPP does not participate in any wrap programs

6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

A. Investment Advisory and Other Fees

The client will pay CPP an investment advisory fee of 1.25% annually billed quarterly in advance on assets from \$0-500,00 and 1% on assets above \$500,00 or as individually negotiated. CPP reserves the right to negotiate investment management fee arrangements with prospective and existing clients. CPP Advisors can agree to make exceptions to its standard fee schedule on a case-by-case basis at its discretion. Investment management and other fees assessed (including without limitation those associated with financial planning, tax, estate planning and other services) vary from client to client depending upon a number of factors, including the amount of assets under management, the nature of the assets, the type of analysis required to manage the account(s), the level of service required by the client, the longevity of the client relationship with CPP Advisors, and other factors. Payments are divided into Quarterly (see definition below) installments based on the assets under management or as individually negotiated.

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The client agrees to pay an annual asset management fee in advance divided into Quarterly installments based on the market value of the portfolio at the beginning of each of those four Quarters in accordance with the above fee schedule. The annual management fee will be re-calculated every three (3) months. Asset management fees are billed in advance of each Quarter and payment is due on or before the tenth (10th) business day of the respective Quarter. Clients will have management fees directly deducted from their account, unless different payment instructions have been individually negotiated and agreed upon.

A Quarter is defined as three sequential months. The first chargeable Quarter is the three-month period beginning on the first day of the month in which the respective Investment Advisory Agreement is signed. The second, third and fourth Quarters of that year, for purposes of the management fee, are the three-month periods that follows. For the avoidance of doubt, the management fee may not align with the calendar year.

CPP automatically prorates advisory fees to account for capital flows in clients' advisory accounts. If a deposit is made by a client, then in the following Quarter, CPP will calculate an additional fee for the prior Quarter based upon the adjusted value of the account from the date of the deposit through the last day of the Quarter in which the deposit was made, and the fee will be debited from the client's account. If a withdrawal is made by a client, then in the following Quarter, CPP will calculate the fee to be credited to the client for the prior Quarter based upon the adjusted value of the account from the date of the withdrawal through the last day of the Quarter in which the withdrawal was made, and a fee rebate will be credited to the client's account. All fees deducted will be reflected on client statements from Schwab.

Investment management fees are separate and distinct from, and in addition to, other fees that the client may pay including financial planning and consulting fees, transaction fees, short term redemption fees, underlying mutual fund fees and expenses paid to the fund by shareholders of the fund as outlined in each fund's prospectus, and custodial fees. In addition, clients will pay brokerage and transaction fees, commissions, transfer taxes, exchange fees, and any other charges that may be imposed with regard to the client's brokerage account and securities transactions. See Item 12 for information regarding brokerage practices.

CPP and its supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds such as 12b-1 fees.

CPP reserves the right to liquidate client holdings in the event that clients are unable to make advisory fee payments. CPP will provide clients with notice prior to effecting such liquidations.

B. Termination and Fee Refunds

The Client shall have five (5) business days from the execution date of the Investment Advisory Agreement to terminate the services without penalty. Thereafter, the Investment Advisory Agreement may be terminated in accordance with the termination provisions of the Agreement which is generally 30 days after receipt of written notice to terminate by either party to the other. The client's death, disability or incompetence will not terminate or change the terms of the agree agreement. However, the client's executor, guardian, attorney-in-fact or other authorized representative may terminate the Agreement by providing CPP with proper written notice. Termination of the Agreement will not affect (i) the validity of any action previously taken by CPP under the Agreement; (ii) liabilities or obligations of the parties from transactions initiated before termination of the Agreement; or (iii) the client's obligation to pay CPP fees that have already been earned under the Agreement. Clients will receive a prorated refund of advisory fees which will be based on the date of the termination notice signed by the client.

C. Performance-Based Fees and Side-by-Side Management

CPP does not charge clients any performance-based fees. Performance-based fees would include, but not be limited to, any fee that would be based upon a share of capital gains or capital appreciation of the assets in the client's account.

7. TYPES OF CLIENTS

CPP's clients are generally comprised of individuals, corporations, trusts, pensions and profit-sharing plans. CPP does not have any requirements for opening or maintaining accounts such as minimum account size.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK LOSS

A. Methods of Analysis

CPP employs fundamental and technical analysis prior to purchasing or selling a security for a client's account. The following is a brief description of the two types of analysis:

- **Fundamental Analysis** - is a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. In doing so, CPP

attempts to study market factors that can affect the value of the securities (like the overall economy and industry conditions) and company-specific factor (like financial condition and management). CPP's analyses result in value determinations for the securities which are compared with their current market prices to determine what respective positions to take (if any).

- **Technical Analysis** – is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. When analyzing securities using technical analyses, CPP does not attempt to measure the securities' intrinsic value, but instead uses charts and other tools to identify patterns that can suggest future activity.

B. Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. The amount of risk assumed varies from investor to investor and is one of the client-specific factors evaluated by CPP in determining suitable portfolios for their clients. The following is a list of some of the risks that an clients may be exposed to:

- **Systematic (Market) Risk**- These are risks that affect the entire market and cannot be avoided through diversification. This risk may be caused by events such as changing interest rates, a recession, or wars.
- **Unsystematic Risk** -These are risks specific to a company or industry sector and may be avoided or mitigated by diversification.
- **Credit Risk** – The risk that a company or municipality will not be able to repay its lenders. This is very important to those investing in fixed-income investments such as bonds.
- **Country Risk** – This is risk associated with investing in foreign securities. This risk includes political, exchange rate, economic, sovereign and transfer risk (which is the risk of capital being locked up or frozen by government action.)
- **Liquidity Risk** -The risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss.
- **Interest Rate Risk** – The risk of changing interest rates and their impact on interest-bearing assets, such as bonds. In general, as interest rates increase, the price of a fixed-rate bond will decrease, and vice versa.

9. DISCIPLINARY INFORMATION

Neither CPP nor its management has been involved in any legal or disciplinary actions or administrative proceedings that would be material to a client's evaluation of CPP or its management.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATES

CPP nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. CPP nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. CPP does not recommend or select other investment advisers for its clients, receive compensation directly or indirectly from other advisers, or have business relationships with other advisers that create a material conflict of interest. Kevin J. Mullins, JD, CPA, one of the firm's Managing Directors, owns and operates an independent legal and accounting firm of the same name (hereinafter "KJM"). Kevin regularly recommends the investment advisory services of CPP to KJM clients and, alternatively, recommends the legal and accounting services of KJM to CPP clients. Kevin is incentivized to recommend the services of both firms to clients to increase overall fees. CPP is not responsible for the legal and accounting or other consulting work product and results of KJM nor does CPP supervise or monitor the services or personnel of KJM or the satisfaction of KJM clients (including CPP clients who may engage KJM). CPP does not provide legal or accounting services. Fees charged by KJM are separate and exclusive of advisory fees charged by CPP for investment management services provided by Kevin to CPP clients. Kevin's work for KJM may create a conflict for CPP clients as Kevin dedicates some of his time to KJM business and clients instead of those of CPP. To mitigate this conflict, Kevin ensures that CPP clients' best interests are served and that he continuously devotes appropriate time and attention to their portfolios. Kevin's work for KJM may also lead to increased risks for CPP related to confidentiality and data security which CPP mitigates by enforcing appropriate compliance policies and procedures designed to prevent the violation of applicable laws and a Code of Ethics the objective of which is protecting the best interests of clients.

11. CODE OF ETHICS

A. Code of Ethics Disclosure

CPP has adopted a Code of Ethics (the "Code"). The Code sets forth a standard of business conduct and fiduciary duty for CPP and all persons associated with CPP. The purpose of the code is to set out accepted firm practices for integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence. In particular, the Code is designed to:

- Protect clients;
- Guard against violations of the securities laws;

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- Require all Access Persons to report, and CPP to review, Access Persons' personal securities transactions and holdings as required;
- Require Supervised Persons to report any violations of the Code to CPP's CCO;
- Protect CPP's reputation.
- Ensure that CPP personnel always conduct themselves ethically.

In an effort to meet the above obligations, the Code and other compliance policies and procedures of the firm set out expected conduct in the following areas:

- Compliance
- Privacy and Confidentiality
- Personal securities transactions and reporting
- Insider trading
- Conflicts of interest / outside business activities
- Gifts and Entertainment
- Reporting violations and sanctions
- Recordkeeping
- Material Non-Public Information

CPP provides a copy of its Code and any amendments to its Supervised Persons and, in return, requires that they provide CPP with a written acknowledgment of their receipt of the Code and any amendments.

Clients and prospective clients may obtain a complete copy of the Code upon request by contacting CPP in writing at 55 Pondfield Road Bronxville, NY, 10708 or calling them at (914) 337-2272.

B. Privacy Statement

CPP protects the material non-public information of its clients. Employees are expected to exercise diligence and care in maintaining and protecting clients non-public confidential information. CPP holds all personal information provided to the firm in the strictest confidence. The records maintained by CPP include all personal information collected from clients in connection with any of the services provided by CPP. CPP does not disclose information to non-affiliated third parties, except as permitted by law, and does not anticipate doing so in the future. If CPP were to anticipate such a change in the firm's privacy policy, it would do so with client consent and in accordance with the law. CPP uses health and financial information the client provides in order to help meet clients' personal financial goals and has established the following procedures to mitigate any real or perceived infringements of clients' rights of privacy:

- CPP limits employee and agent access of information to only:
 1. Those who have a business or professional reason for knowing (i.e. broker/dealer or custodian);
 2. Non-affiliated parties as permitted by law (i.e. federal regulations permit CPP to share a limited amount of information about the client with a brokerage firm in order

to execute securities transactions on their behalf, or so that the Firm can discuss the client's financial situation with their accountant or attorney.); or

3. Those required by judicial or regulatory process.

- CPP maintains a secure office and computer environment to ensure that client information is not placed at unreasonable risk.
- The categories of non-public personal information collected from clients depend upon the scope of the client's engagement. It will include information about their personal finances, information about their health to the extent that it is needed for the planning process, information about transactions between the client and third parties, and information from consumer reporting agencies.
- For unaffiliated third parties that require access to clients' personal information, including financial services companies, service providers, and auditors, CPP also requires strict confidentiality in its agreements with them and expects them to keep this information private. Federal and state regulators may also review firm records as permitted by law.
- Personal information contained in any form or document the client completes in order for CPP to facilitate the commencement, continuation or termination of a business relationship between the client and a non-affiliated third-party service provider, such as a broker/dealer, investment adviser, or account custodian, shall be deemed as having been automatically authorized by the client with respect to the corresponding non-affiliated third party service provider.
- CPP does not provide personally identifiable information to mailing list vendors or solicitors for any purpose.
- Personally identifiable information about a client will be maintained during the time that they are a client and for the required time thereafter that such records are required to be maintained by federal and state securities laws and regulations, and, as applicable, consistent with the CFP Board Code of Ethics and Professional Responsibility.

CPP's Privacy Notice is initially given to all clients upon signing an Investment Advisory Agreement and, as applicable, CPP's Financial Planning Agreement and is sent to all clients annually thereafter.

C. Personal Securities Trading Practices

CPP and/or employees may sell or hold a position in securities which may also be recommended to clients. As a fiduciary, CPP and its Access Persons owe its clients the loyalty to refrain from effecting personal securities transactions that might conflict with clients' best interests. Conflicts arise when CPP Access Persons take advantage of investment opportunities that should have been exercised for clients or when they use their knowledge of pending client transactions to place their trades before clients' transactions.

CPP has established the following guidelines to mitigate potential conflicts of interest when placing personal security transactions. CPP's Access Persons may effect personal securities transactions in the same holdings as clients only after client transactions for the same security, unless the Access Persons' transactions are part of a block trade for the given security. Access

Person trade orders are aggregated with those of clients to increase trade efficiency only when doing so is in the best interest of clients. There are no restrictions on Access Persons for placing trades in open-end mutual funds on the same day as clients.

12. BROKERAGE PRACTICES

A. Recommending Broker/Dealers to Client

Currently, CPP recommends Schwab to clients as custodian and broker/dealer, though clients may choose to arrange for custody and trade execution through other service providers. If a client chooses to use another broker/dealer, then CPP will not have trading authority over the client's account. In such cases, it is the clients' responsibility to effect trading and implement CPP's investment recommendations. CPP is independently owned and operated and is not affiliated with or a related person of Schwab.

CPP considers a number of factors prior to selecting or recommending broker/dealers, including but not limited to, their familiarity with the securities to be sold or purchased, their execution skills, order-flow capabilities, their commission rates or other fee schedules, their custodial services, their level of net capital (financial strength) and excess SIPC. CPP routinely compares order execution disclosure information of Schwab to other broker/dealers to ensure that Schwab remains competitive in providing best execution for their clients. Clients are advised, however, that they may be able to effect transactions in securities through other securities broker/dealers at lower commission rates, particularly with respect to securities listed on a national securities exchange or in the over-the-counter market. While Schwab may sometimes charge commissions higher than those obtainable from other broker/dealers, CPP will only cause its clients to pay brokerage commissions which it has determined, in good faith, to be reasonable in relation to value of the brokerage and other services provided by such securities broker/dealers. CPP will base its decision upon the transactions involved and its overall responsibilities with respect to clients' investment management accounts.

B. Security Transactions

Securities transactions are generally executed through Schwab. However, CPP may utilize other broker/dealers and custodians when requested by the client or when the client's retirement plan sponsor selects the custodian. CPP's clients must be aware that if they direct CPP to use a particular broker, it may limit CPP in their ability to

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achieve best execution or negotiate commissions with other broker/dealers on behalf of the client or limit the client's ability to participate in block trading. Aggregating orders on behalf of clients may allow clients into funds with lower expense ratios as on an individual level they do not meet the fund minimum. Aggregating securities purchases may allow for the opportunity to purchase securities with better pricing due to the size and having access to a larger market. The block purchases are then allocated to the clients account based on client specific investment criteria at no additional cost to the client.

C. Research and Other Soft Dollar Benefits

CPP does not receive research or other products or services other than execution from Schwab or other broker/dealers in connection with client securities transactions ("soft dollar benefits"), but does receive products and services from Schwab that benefit CPP and may not necessarily benefit client accounts or all client accounts. Some of these other products and services assist CPP in managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), facilitate payment of CPP's fees from it client's accounts, and assist with back office functions, record keeping and client reporting. These services may be used to service all or a substantial number of client accounts, including accounts not maintained at Schwab and include:

- Financial planning software;
- Client reporting and consolidated statement software;
- Client communication software;
- Client relationship management software;
- Coaching; and
- Investment research

Currently, CPP has not purchased any discount pricing program through Schwab.

Clients should be aware that research reports obtained through Schwab and, in fact, all other sources, is used to service all of CPP's clients, regardless of whether they pay only for financial planning advice to CPP, which may be by the hour, or commissions to Schwab on transactions in securities effected by CPP in its capacity as the client's investment adviser.

CPP recommendations to clients to maintain their accounts with Schwab may be based in part on the benefits to CPP described above, such as the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a conflict of interest.

D. Brokerage for Client Referrals

It is the practice of some broker/dealers to give client referrals to investment advisors as an Incentive for directing business through them. CPP does not receive client referrals from Schwab or any broker/dealers. 3

E. Directed Brokerage

CPP may utilize broker/dealers and custodians other than Schwab when requested by a client or when a client's retirement plan custodian is selected by the Plan's sponsor. CPP's clients must be aware that if they direct CPP to use a particular broker/dealer that it may limit CPP's ability to achieve best execution, negotiate commissions on behalf of the client and aggregate trade orders. As a result, clients may pay higher commissions, have higher transaction costs, and receive less favorable prices.

F. Best Execution

As stated earlier, CPP routinely compares order execution disclosure information of Schwab to other broker dealers to ensure that Schwab remains competitive in providing best execution for their clients' securities transactions. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other broker/dealers. The commissions paid by CPP's clients with CPP's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker/dealer might charge to effect the same transaction where CPP determines, in good faith, that the commission is reasonable in relation to the value of the brokerage services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker/dealer services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while CPP will seek competitive rates; they may not necessarily obtain the lowest possible commission rates for their client's transactions.

G. Brokerage and Custodian Transaction Fees

CPP generally recommends Schwab to its clients for custody and trading of their accounts. Advisory fees charged by CPP are separate and distinct from other fees the client may be charged by Schwab and/or other third parties to service the accounts including but not limited to:

- Transaction fees such as ticket charges charged by the broker/dealer or custodian.
- Mutual fund exchange fees
- Commissions, if applicable
- Inactivity fees
- Custodial fees for overnight mail, wire orders, checks returned for insufficient funds for those clients with check writing privileges.
- Custodial maintenance and termination fees for IRA's
- Other service fees under special circumstances.

H. Trade error Policy and Procedures :

CPP has established the following procedures in the event that a trading error occurs

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during the execution of a security, other than a mutual fund transaction:

- 1) Upon discovery of the trade error, CPP will immediately notify the Chief Compliance Officer (CCO) who will, in turn, notify the broker/dealer or custodian's trading department with details concerning the error. The broker/dealer or custodian will counteract or "flatten" the incorrect transaction with a covering transaction, regardless of whose fault it is. This immediate action will be taken to limit the potential effects that capital market fluctuations may have upon further price deterioration or appreciation.
- 2) The CCO will give the broker/dealer or custodian the correct transaction that should have been executed.
- 3) The broker/dealer or custodian will confirm the correct price that the client should have received had the order been processed correctly.
- 4) A trade error report containing the following information must be completed:
 - Account registration and number;
 - The trade and settlement dates;
 - The number of shares or dollar value of the trade;
 - An explanation of the error;
 - The resolution of the error; and
 - If the client lost money due to the error, include any information to evidence that the client was made whole and not harmed in any way.
- 5) Any restitution to the client's account must be made through the broker/dealer or custodian.
- 6) The CCO or a designated alternate will review the trade error report to ensure that all documents regarding the trade error have been attached to the report before filing the document in the trade error file.

CPP has established the following procedures in the event that a trading error occurs during the execution of a mutual fund transaction:

- 1) Upon discovery and reporting of the trade error to the CPP CCO, the CCO will notify the broker/dealer or custodian's trading department with details concerning the error.
- 2) The broker/dealer or custodian will reverse the errors and reenter the correct transaction order in such a manner as to ensure that the client's correct trade is processed without detriment to the client. If required, the broker/dealer's Compliance Department will provide the custodial or mutual fund company with a Letter of Indemnity.
- 3) A trade error report containing the following information must be completed:

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- Account registration and number;
- The trade and settlement dates;
- The number of shares or dollar value of the trade;
- An explanation of the error;
- The resolution of the error; and
- If the client lost money due to the error, include any information to evidence that the client was made whole and not harmed in any way.

4) Any restitution to the client's account must be made through the broker/dealer.

The CCO or a designated alternate will review all trade error reports to ensure that all documents regarding the trade error have been attached to the report before filing the document in the trade error file.

13. REVIEW OF ACCOUNTS

All accounts are under regular review by CPP's Chief Compliance Officer and the respective financial advisers. Client portfolio reviews occur at least quarterly by the financial advisors to assess the asset classes, economic and market conditions, and any extreme gains/losses in the portfolios, all of which are conditions that may trigger portfolio adjustments.

All investment advisory and financial planning clients are advised that it remains their responsibility to advise CPP of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to comprehensively review financial planning issues, investment objectives and account performance with CPP at a minimum on an annual basis, or as applicable.

At a minimum, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker/dealers used to trade in the respective accounts, and/or the custodian for their accounts quarterly, but may receive more frequent notices depending on the trading activity in the account. Any client that does not receive an account statement from the custodian should call CPP immediately so that CPP can help correct the problem.

14. CLIENT REFERRALS AND OTHER COMPENSATION

CPP relies on client referrals and advertising to introduce new clients to their business. It is CPP's policy not to compensate clients for referring potential clients to their

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business, because the client would be considered a solicitor and would have to satisfy requirements under Rule 206(4)-1 of the Investment Advisers Act of 1940 before a cash referral fee could be paid to them.

15. CUSTODY

Due to increased regulatory concerns over advisors with what the SEC construes as 'custody by a Registered Investment Adviser', it is CPP's intention not to have custody over client assets as a regular course of business. CPP will, only to the extent that it procures a client's prior consent deduct advisory fees directly from the client's account(s) but shall have no other access to client funds or securities through the clients' custodians. CPP calculates advisory fees on a quarterly basis (see definition above), which are payable in advance.

CPP has established the following procedures that are designed to help ensure that CPP does not obtain custody of client assets, other than for the deduction of advisory fees:

A. Account Custodian

All clients are required to open an account with a qualified custodian where the clients' assets will be held. CPP's personnel will assist clients in preparing paperwork to open new custodial accounts but only the clients are permitted to actually authorize, by their signature, the opening of the account and the direction and management of the account thereafter.

Once the account is established, it is the custodian's responsibility to send clients account statements, transaction confirmations, proxy material, and any other information relating to their account. CPP will not route original custodial statements to its clients on behalf of a custodian. However, CPP is responsible, within reason, to ensure that clients receive custodial statements directly from the custodian on, at a minimum, a quarterly basis. To meet this responsibility, CPP will request duplicate copies of its clients' statements. Any client that does not receive an account statement from the custodian should call the custodian directly and CPP immediately so that the problem can be corrected.

B. Handling Client Assets

Due to custody regulations, CPP's personnel can only handle or forward checks clearly made payable to a third party, such as the client's independent custodian. CPP may not handle or forward any other client check or security certificate received by the firm. All such instruments must be returned to the client within three (3) business days, and may not be forwarded to any party other than the client or a client's representative.

Clients must be aware that if they personally deliver securities certificates to CPP's

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Office, CPP and/or office personnel is not allowed to physically handle the securities certificates. CPP may provide direction to clients in completing the transfer and shipping of paperwork to help ensure that the securities certificates are properly deposited with the client's custodians. However, it is the clients' responsibility to deposit overnight pouches with the respective couriers for forwarding of securities certificates to their designated custodians. Securities certificates inadvertently received in the mail will be returned to clients within three business days.

C. Other Custody Related Issues

CPP has invoked the following restrictions to ensure that custody is not inadvertently obtained:

- Supervised Persons are prohibited from obtaining, maintaining or utilizing client- assigned log-ons and passwords to access and/or service any client self-directed accounts.
- Supervised Persons will not accept signatory power over any client's checking or custodial account(s).
- CPP will not hold client securities in CPP's name or in bearer form.
- Proceeds from sales or redemption of client securities will not be directed to the custody of CPP.
- Advisors will not require clients to prepay fees six months or more in advance.

16. INVESTMENT DISCRETION

For discretionary accounts, CPP is granted complete discretionary authority in writing by the client when the client signs CPP's Investment Advisory Agreement. This discretionary authorization gives CPP the authority to buy, sell, hold, exchange, invest, and otherwise deal with the client's investment assets at CPP's sole discretion and without consulting with the client in advance. This authorization is perpetual and will remain in full force and effect until the agreement is terminated. CPP does not have discretionary authority on the amount of commissions that are charged by the broker/dealer or custodian.

17. VOTING CLIENT SECURITIES

CPP will not take any action on behalf of clients, and is not obligated to render any advice to clients, with respect to:

- The voting of proxies solicited by, or with respect to, the issuers of any securities held in the clients' portfolios or,
- The legal proceedings involving securities or other investments presently or formerly held in the clients' portfolios, or the issuers thereof, including bankruptcies.

The clients' custodians are expected to send all such proxy and legal proceedings information and documents it receives to the clients so that the clients may take whatever action they deem appropriate.

18. FINANCIAL INFORMATION

As previously discussed in this brochure, CPP provides financial planning and investment management services on a discretionary basis for which clients are billed quarterly in advance. Clients are not required to prepay planning or management fees to CPP or its Supervised Persons more than three months in advance, and if clients terminate their financial planning or investment advisory agreements prior to the end of a Quarter, as defined herein, the clients are reimbursed any unearned fees.

CPP has never been petitioned or been subject to bankruptcy proceedings, and there are no financial conditions that would prevent CPP from meeting any contractual commitment to its clients.