

## CLIENT RELATIONSHIP SUMMARY

JUNE 28, 2021

**Executive Financial Services, Inc. doing business as CND Financial (CNDF)** is a fee-only investment adviser registered with the Securities and Exchange Commission (SEC). Investment advisory services and fees differ from those of a broker-dealer, and it is important for retail investors to understand these differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](http://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors, and investing.

### CONVERSATION STARTERS

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, licenses, education, and other qualifications? What do these qualifications mean?

### RELATIONSHIPS AND SERVICES

**What investment services and advice can you provide me?** **Description of Services:** CNDF provides fee-only investment management, financial planning, and consultation services to retail investors. Items 4 & 12A, Form ADV 2A Brochure. **Investment management:** CNDF normally includes a comprehensive review of the overall aspects of a client's stated financial situation, long and short-term objectives and goals, and/or other factors as directed by the client. After an analysis and data-gathering process and depending upon the nature of services desired, CNDF will engage in: Existing portfolio review and analysis, preparation of a customized investment policy / strategy with the client's participation, preparation of asset allocation recommendations and recommendations of specific investments, implementation, and ongoing management of the client's investment portfolio. CNDF also provides consultations pertaining to general financial and matters. **CNDF Guided Portfolio:** Is an automated investment management service utilizing Charles Schwab & Co., Inc.'s Institutional Intelligent Portfolios® Portfolio (the "Portfolio"). CNDF is your investment adviser and is responsible for determining the appropriateness of the Portfolio for interested clients, selection of an investment strategy, and ongoing portfolio management. The Portfolio offers a range of CNDF constructed strategies, each consisting of a portfolio of mutual funds and a cash allocation. Clients complete a questionnaire via the Portfolio's online portal to help determine suitable investment objectives, risk tolerance, and to assist CNDF in developing an appropriate investment strategy. **Hourly Financial Planning and Consultation Services:** Topics may include but are not limited to: Retirement planning, tax strategies, college funding, expense reduction, and 401(k) account reviews. *Note:* These services are otherwise included in CNDF's Investment Management Services (at no additional cost).

**Investment Authority:** CNDF maintains limited discretionary trading authority if granted via CNDF's Client Agreement and custodial account forms. CNDF will implement transactions within the client's designated investment objectives, to include the securities to be bought and sold, and the amount of securities to be bought and sold. Clients can expect to receive trade confirmations and account statements directly from their custodian. Clients retain proxy voting. Items 16 & 17 Form ADV, 2A Brochure **Monitoring:** Item 13 Form ADV 2A Brochure. CNDF's management and CNDF Guided Portfolio services are continuous until terminated by either party. **Investment Management:** Underlying assets are reviewed frequently. Internal portfolio reviews occur no less than quarterly and generally entail analyzing securities, current market conditions, investment results and other factors. Non-periodic reviews may be triggered by significant deposits/withdrawals, reported changes in the client's financial situation, and when the allocation deviates over the targeted acceptable limits, at which time action is considered. CNDF prefers that clients initiate meetings (via phone, online, or in person) no less than annually. At least annually, CNDF prompts clients to review their profile and financial data to ensure data remains current. Clients must promptly inform CNDF of changes in their financial condition to give CNDF the opportunity to review the new data and consult with the client to help ensure the designed strategies continue to be appropriate. CNDF otherwise remains available to clients on an ongoing basis to discuss managed assets and financial matters. The **CNDF Guided Portfolio** is an *automated investment engine to manage portfolios* through automatic rebalancing. CNDF provides ongoing monitoring of assets and performance within the Portfolio. CNDF performs a monthly exception analysis to ensure client portfolios are within the tolerance set for target weights and quarterly due diligence reviews of the Portfolio which will include asset class weights, fund selection, and recent performance. CNDF contacts clients at least annually to inquire about their financial situation and any changes thereto to help ensure any new data is provided within the Portfolio. Clients must *promptly* inform CNDF of any issue which would materially affect objectives and/or strategies. **Hourly Financial Planning and Consultation Services** do not involve ongoing monitoring. **Limited Investment Offerings:** CNDF does not offer proprietary products and is not limited to certain investments. **Investments:** Investments within our investment management services may include stocks, exchange traded funds, mutual funds, short-term instruments, bonds, and other investments. The CNDF Guided Portfolio offers a range of CNDF strategies, each consisting of a portfolio of mutual funds and a cash allocation. Item 4 Form ADV 2A Brochure **Account Minimums, Other Requirements, and Additional Information:** CNDF requests a minimum portfolio of \$250,000 for investment management, which is negotiable. The CNDF Guided Portfolio requires a \$5,000 minimum. Item 7, Form ADV 2A Brochure



## CONVERSATION STARTERS

- How else does your firm make money and what conflicts of interest do you have?
- Help me understand how these fees and costs might affect my investments.
- If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?
- What other fees might I incur?
- What are your legal obligations to me when acting as my investment advisor?
- How might your conflicts of interest affect me and how will you address them?

## FEES, COSTS, CONFLICTS AND STANDARD OF CONDUCT

**What fees will I pay? Description of Principal Fees and Costs.** Item 5, Form ADV 2A Brochure. Our **Investment Management** annual fees are: 1.00% on the first \$1,000,000; 0.80% on the next \$500,000 and 0.60% on assets over \$1,500,000. Fees are billed quarterly in advance. The annual fee is negotiable at CNDF's discretion. The annual fee for the **CNDF Guided Portfolio** is 1%, invoiced quarterly in arrears. Hourly fees for **Financial Planning / Consultation Services** are based on the personnel member providing services and invoiced in arrears: CPA/Personal Financial Specialist™, Certified Financial Planner™ or Chartered Financial Analyst™: \$250, Financial Planner: \$200 and Clerical: \$60. Fees are for advisory services only, do not include fees for other services that may be required to implement recommendations, and may be higher or lower than those charged by other firms for similar services.

**Description of Other Fees and Costs:** Investors are responsible for third-party fees associated with financial and investing activities and these vary depending upon the services utilized, investments purchased and sold, and other factors. **Important:** *You will pay fees and costs whether you make or lose money on your investments. These fees and costs will reduce any amount of money you make on your investments over time. You should ensure that you understand what fees and costs you are paying.* You are encouraged to read Form ADV disclosures and prospectus information. Clients may pay transaction fees and brokerage commissions to their brokerage firm(s), as well certain account fees (e.g., transfer fees, termination costs, wire transfer fees, retirement plan and/or trust fees, deferred sales charges, and other fees and taxes associated with investing). *CNDF recommends the services of Charles Schwab & Co, Inc., which does not charge transaction fees.* CNDF's fees are separate, and in addition to, the management fees that fund companies pay to managers of their funds (as discussed in the fund prospectus). Clients utilizing the **CNDF Guided Portfolio** do not pay additional fees or brokerage commissions to "CS&Co" as it receives various other types of revenue as the Portfolio sponsor as discussed at Item 5.C, Form ADV 2A Brochure.

**What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?** CNDF is a fiduciary to each of its clients. **When we act as your investment adviser, we are required to act in your best interest and not put our interests ahead of yours.** At the same time, our compensation structure creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the advice we provide. **Examples:** We are likely to recommend our own services. During our relationship, we may recommend that you add funds to your managed portfolio. As assets increase, CNDF's earns more fees. CNDF recommends its preferred unaffiliated custodian to maintain custody of clients' assets and effect trades. Our custodian provides us with various support services. Items 12 & 13A, Form ADV, Part 2A Brochure.  
**How do your financial professionals make money? Description of How Financial Professionals Make Money:** Our Investment Adviser Representatives are only compensated via a portion of CNDF's advisory fees. **Other businesses:** CNDF's personnel are engaged in other activities Item 10.C, Form ADV 2A, ADV 2B Brochures. Arthur Cole, CPA/PFS, President and Chief Compliance Officer of CNDF owns 50% of CNDF. William Mack, CFP®, CFS® and Theodore Bugenski, CFP®, CFS® collectively own 50% of CNDF and 100% of William Mack & Associates, Inc., (WM&A), a registered investment adviser. WM&A also provides back-office administrative services to CNDF. The services of CNDF and WM&A are otherwise separate and distinct. Mr. Cole is the Managing Partner of Cole, Newton & Duran (CN&D), a Certified Public Accounting firm. The services of CN&D are separate and distinct and are engaged via a separate agreement with CN&D. Mr. Cole is the Chief Financial Officer for a long-term care pharmacy. Items 4, 7 & 10, Form ADV, Part 2A and ADV 2B Brochures

## CONVERSATION STARTER:

- Do you or your financial professionals have legal or disciplinary histories? If yes, for what type of conduct?

## DISCIPLINARY HISTORY

**No.** A free and simple search tool is available at [investor.gov/CRS](http://investor.gov/CRS) if you would like to search our firm, our registered personnel, or another financial service provider.

## CONVERSATION STARTERS:

- Who is my primary contact person? Are they registered with an investment adviser or broker-dealer?
- Who can I talk to if I have concerns about how a personnel member treats me?

## ADDITIONAL INFORMATION

You are welcome to contact CNDF at (734) 427-2030 to inquire about services or to request CNDF's Client Relationship Summary and Form ADV 2 Brochures. Information about CNDF and its registered personnel can be found on the SEC's website at <https://adviserinfo.sec.gov>. CNDF's CRD# 110180.