

## Investment Advisor Brochure

Form ADV Part 2A Disclosure Statement

December 31, 2019

Client Priority Financial Advisors LLC ("CPFA")

105 High Street

Needham, MA 02494

(617) 980-9880

[larrypike@clientpriority.com](mailto:larrypike@clientpriority.com)

[www.clientpriority.com](http://www.clientpriority.com)

Dear Client:

This Investment Advisor Brochure ("Brochure") contains important information about the qualifications and business practices of Client Priority Financial Advisors LLC, as well as potential conflicts of interest relating to our advisory business which could affect your account with us.

The information provided is in accordance with state regulations that require a registered investment advisor to provide a written disclosure statement upon entering into an advisory relationship.

If you have any questions about the contents of this brochure, please contact us at the phone number or email address listed above. 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 Client Priority Financial Advisors LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Sincerely,

Laurence (Larry) M. Pike, CFA

Principal

Client Priority Financial Advisors LLC

Legal note: The designation "Registered Investment Advisor" does not imply a certain level of skill or training.

## Item 2: Material Changes

There are no material changes.

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#### **Item 4: Client Priority Financial Advisors LLC's Investment Advisory Business**

- A. Client Priority Financial Advisors LLC was formed on February 13, 2014. The principal and sole proprietor is Laurence M. Pike, CFA.
- B. CPFA offers financial advice and financial planning services. Advice includes portfolio construction designed to take advantage of low-cost investing options including index funds and ETFs. The financial planning component explores each client's objectives, risk tolerance, tax circumstances and liquidity needs and works with these individuals to create savings targets, budgeting plans, understanding of insurance and estate planning needs, to formulate a plan that will help the individual to achieve their financial objectives.
- C. Services will be tailored to the needs of each individual client. CPFA will not custody client assets and therefore clients will retain all control over their own portfolios and assets and can either follow the advice or not follow the advice of CPFA.
- D. CPFA does not participate in wrap fee programs.
- E. CPFA does not currently manage assets on a discretionary or non-discretionary basis.

#### **Item 5: Fees and Compensation**

- A. Client Priority Financial Advisors LLC is compensated on a fee basis and charges \$300 for each hour of service provided, which includes time spent with clients and communicating with clients and time spent independently working on a client's financial plan, portfolio construction or other assigned task. Fees may be negotiable in limited circumstances and/or discounts may be offered at the discretion of CPFA.
- B. Fees for service are billed directly to the client and no deductions are made from a client's portfolio. Fees are due and payable after an assignment is completed or on a semi-annual basis if not paid sooner.
- C. Clients will pay additional fees to investment companies where their assets are held. Such fees include mutual fund management expenses and brokerage charges. CPFA's strategy is to direct clients to investment companies and products that charge among the lowest of such fees in the industry. CPFA will not receive any payments from these investment companies.
- D. Payments for services provided by CPFA may or may not be requested in advance of service but if they are, a refund for services not yet rendered will be refunded upon request.
- E. CPFA will not receive any payments from outside investment companies related to the purchase by clients of investment products. This arrangement is specifically designed to avoid any conflict of interest in investment recommendations. Clients can choose to follow the advice given or not and can execute investment decisions with any investment company they choose.

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

Client Priority Financial Advisors LLC does not accept fees based on the performance of client portfolios or assets.

## **Item 7: Types of Clients**

Client Priority Financial Advisors LLC provides services to clients seeking help with financial planning and portfolio management. As of this date, the firm's clients or prospective clients are exclusively individuals and families.

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

Client Priority Financial Advisors LLC seeks to help investors achieve their objectives based on their individual circumstances. We consider the suitable amount of risk for a client's portfolio based on their personal risk tolerance, financial objectives, liquidity needs and other individual issues. Advice may include the pay-down of debt or the purchase of insurance rather than the investment of cash. Portfolio recommendations will follow common industry standards and seek to rebalance annually or semi-annually to maintain suggested portfolio allocations. CPFA will not attempt to project unusual market movements as the firm's viewpoint is that such attempts to time the market may be unsuccessful more often than not.

Investing involves risks and CPFA will take these risks into consideration when making investment recommendations. Many or most portfolios will have some stock exposure. The stock market is unpredictable and is recommended for long-term investors as it can have large short-term swings. It is also possible that the stock market could have negative performance for extended periods of time. Historical performance cannot be assumed to be an indicator of future performance. Other investments have their own risks, including fixed-income (bonds) which generally will decline in market value when interest rates rise, and cash-equivalent investments with low interest rates may not keep pace with inflation such that the purchasing power of cash holdings may decline due to inflation.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events to report regarding CPFA or its employees.

Massachusetts residents may obtain information on disciplinary history and the registration of CPFA and its associated person by contacting the Public Reference Branch of the Securities and Exchange Commission at (202) 942-8090. Disciplinary history may also be obtained from the Massachusetts Securities Division at (617) 727-3548. Additionally, CPFA and its associated person must and will disclose history.

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

Client Priority Financial Advisors LLC does not have any activities or affiliations with other financial or non-financial firms. CPFA may from time to time recommend other professional services and other professional service providers, however, CPFA does not receive any compensation related to these recommendations other than possibly receiving client referrals by these other professional service providers. There is no formal agreement between CPFA and any other professional service provider to make such recommendations.

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

CPFA is committed to ethical conduct and has adopted a Code of Ethics ("Code") that all employees of CPFA have received, reviewed and acknowledged. The Code sets forth guidelines for fulfilling our fiduciary obligations to clients, reduce potential conflicts of interest and deter and eliminate improper business practices. The code of ethics includes the following guidelines:

- No member of CPFA will put their own interests before a client's
- No member of CPFA can trade ahead of client transactions
- No member of CPFA can make personal investment decisions based on decisions of an advisory client
- No member of CPFA will buy or sell securities for their accounts where the decision to transact was from inside information or information that is not available to the investing public after conducting a reasonable search
- All employees must act in accordance with all applicable federal and state regulations and laws governing registered investment advisory practices

CPFA has clients with differing objectives. Advice given to one client may be identical to or different from advice given to other clients. Employees of CPFA may have a personal ownership position in securities that are recommended for purchase or sale. Employees of CPFA have a duty of care, loyalty, honesty and good faith to act in the best interests of their clients and will put the client's interests first in making investment recommendations.

A copy of the Code will be provided to any client or prospective client upon request.

## **Item 12: Brokerage Practices**

CPFA is focused on a strategy of low-cost and simple investing. For the purpose of implementing investment strategies, CPFA recommends reputable, discount brokers and mutual fund companies that provide a large selection of index funds. CPFA does not receive any compensation, including soft-dollar compensation, from these outside firms. The brokerage and mutual fund companies recommended, or their affiliates, also act as custodian for the securities transacted through them. These outside brokers and mutual fund companies, or their custodians, will provide you with their own disclosures and investment account statements on at least a quarterly basis reflecting the assets held in your account(s). You should carefully review the statements that you receive.

CPFA does not provide any custody services. We do not accept any securities or cash meant for investing purposes. All securities or cash meant for investing should be deposited into your outside brokerage or mutual fund account. Checks for investing purposes should not be payable to CPFA, but instead to the "pay to" instructions provided by the outside brokerage or mutual fund firm.

CPFA does not receive any client referrals in exchange for directing a client to a certain brokerage or mutual fund company.

CPFA does not execute any transactions on behalf of clients, but instead advises clients on transactions they might make themselves. CPFA may recommend a brokerage or mutual fund company but the client will ultimately decide where to transact and execute the transaction themselves. CPFA generally recommends low cost brokerages and low expense ratio mutual fund companies and any decision by the client to execute trades through non-recommended firms may or may not result in higher fees paid to execute such transactions.

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

CPFA will review accounts on a periodic basis per agreements with its clients. CPFA recommends semi-annual reviews of accounts and with client approval, will follow that agreement. If clients approve some other schedule for an account review, that timeframe will be followed. The Principal of CPFA will conduct the review and the process will involve an analysis of whether the client's portfolio has strayed from its recommended asset allocation and whether there has been any change in the client's circumstances that might require a modification of their financial plan. Upon agreement with the client, the periodic account reviews will include a written report of the status of the account.

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

CPFA does not receive any compensation other than fees paid directly by clients.

#### **Item 15: Custody**

CPFA does not provide any custodian services to its clients. Outside brokerage and mutual fund companies where client accounts are held will provide custodian services. These outside brokerage and mutual fund companies, or their custodians, will provide you with their own disclosures and investment account statements on at least a quarterly basis reflecting the assets held in your account(s). You should carefully review the statements that you receive. If CPFA provides a portfolio listing your assets, you are urged to compare this portfolio to the account statements provided by the outside brokerage or mutual fund companies.

#### **Item 16: Investment Discretion**

CPFA does not manage client accounts on a discretionary basis, so it does not have the authority to buy or sell securities or determine the outside brokerage or mutual fund company without consent from its clients.

#### **Item 17: Voting Client Securities**

CPFA does not vote proxies or other solicitations on your behalf. You will receive proxies or other solicitations from the outside brokerages or mutual fund companies. You should carefully consider proxies or solicitations when deciding your vote. You may contact CPFA if you have any questions regarding a solicitation, but this assistance is not to be construed as a vote on your behalf by any employee of CPFA.

#### **Item 18: Financial Information**

CPFA does not require prepayment of more than \$500 in fees, six months or more in advance.

CPFA or its principal have not been the subject of a bankruptcy petition at any time.



## Item 19: Management

The Principal of CPFA is Laurence M. Pike, CFA. Mr. Pike has a B.S. degree from Skidmore College, an MBA degree from Boston College and a CFA Charter. Mr. Pike has worked in the fixed-income securities market for 17 years and has advised many of the country's largest institutional investors on their fixed-income portfolios. Included in these 17 years is almost nine years with Deutsche Bank, hired as Vice President and receiving a promotion to Director. He was a Vice President at Nomura Securities where he spent over five years and he had additional tenures at Cohen and Company and FTN Financial in their fixed-income departments. Additionally, Mr. Pike has worked with Mutual Funds and Limited Partnerships during tenures with State Street Bank and The Boston Company. Mr. Pike is not engaged in other business activities outside of CPFA.