



MEMBER FINRA • SIPC

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Disclosure Brochure

FORM ADV PART 2A

(April 17, 2025)

This brochure provides information about the qualifications and business practices of COLORADO FINANCIAL SERVICE CORPORATION. If you have questions about the contents of this brochure, please telephone us at 866-903-6760. 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.

COLORADO FINANCIAL SERVICE CORPORATION is a "registered investment adviser"; however, registration does not imply a certain level of skill or training. Investment advisory services are only available in states where CFSC is registered.

Additional information about COLORADO FINANCIAL SERVICE CORPORATION also is available on the SEC's website at www.adviserinfo.sec.gov. The CRD number for COLORADO FINANCIAL SERVICE CORPORATION is 104343.

There are free and simple tools available that you can use to research firms and financial professionals on the SEC's website at Investor.gov/CRS which also provides educational materials about broker-dealers, investment advisers, and investing.

SUMMARY OF BACKGROUND AND INTRODUCTION:

In an attempt to be helpful, but not in any way as a substitute for this entire Disclosure Brochure, this Summary Background and Information is provided for the reader's convenience. It is intended to be "user friendly" and presented in "plain English". In the event of any conflict between this Summary Background and Information and this Disclosure Brochure, this Disclosure Brochure shall govern and control.

Colorado Financial Service Corporation ("CFSC") is dually registered as: (1) a securities broker dealer; and (2) an investment adviser. Each such registration capacity/status brings with it its own particular legal, regulatory, self-regulatory and/or other requirements. Moreover, CFSC is a licensed insurance agency in Colorado, a status that also brings with it its own particular legal, regulatory, self-regulatory and other requirements. In whatever capacity in which CFSC operates, CFSC and all persons associated with CFSC in any capacity are expected to comply fully and fairly with all applicable laws, rules and regulations, and with CFSC's policies, procedures, practices and requirements.

This Disclosure Brochure focuses on CFSC's status and operations as an investment adviser ("IA"). Individual persons who perform professional services for IAs are known as Investment Adviser Representatives ("IARs", individually "IAR"). Among other things, this Disclosure Brochure describes the services and products that CFSC offers when it acts in the capacity as an IA, the fees that it charges as an IA and the conflicts of interest that are presented when CFSC acts in the capacity as a securities broker dealer, an IA and/or as a licensed insurance agency, and/or based on how CFSC or an IAR is compensated for any particular services and products. This Disclosure Brochure describes how CFSC endeavors to identify, monitor and mitigate or eliminate conflicts of interest that arise.

At all times, all clients have the ultimate authority, in their respective independent discretion and among other things, whether: to enter into an investment advisory relationship with an IA; to terminate, limit or condition any investment advisory relationship with an IA; and/or to accept or approve any fees, costs, terms and/or conditions of an investment advisory relationship with an IA.

An investment advisory arrangement between a client and an IA is established by and specified in a written agreement that is signed by the client and the IA. The client and the IA each must understand all terms and conditions of such agreement. Such written arrangement between the client and IA contains the following:

- A description of the types of services and products that the client authorizes the IA to provide to the client.
- A description of the fees and other charges for such services and products.
 - IAs principally charge investment advisory fees for asset management services (often referred to as an "advisory fee") based on assets under management, usually on a quarterly basis payable in either arrears or advance. This means, in essence, that an agreed percentage periodically will be multiplied times the value of the client's assets under management to calculate the IA's investment advisory fee. Thereafter, and pursuant to the client's written authorization, the asset-based fee calculated as agreed by the client and IA will be deducted from the client's account and paid to the IA. Such deductions are calculated and effected by the custodian of the client's account.
 - IAs typically share a portion of the asset-based advisory fees with its IARs and/or with other persons or entities if allowed by law and if agreed by the IA. Any such fee sharing must be disclosed to the client, and is subject to the client's consent.
 - All fees and other charges assessed to the client must be disclosed to the client, and are subject to the client's consent.

- A description of the conflicts of interest that are presented during and/or in respect of the client-IA relationship.
 - Conflicts of interest present themselves and change frequently, based on a variety of factors including particular business affiliations, business models or transactions.
 - Although not an exclusive list, conflicts of interest commonly arise in two principal ways:
 - ❖ (1) Based on the capacity or role in which an entity such as CFSC operates (i.e., as a securities broker dealer, an IA and/or an insurance agency); and/or
 - ❖ (2) The manner in which the entity and its personnel are compensated in different circumstances.
 - To the greatest extent practicable, all types of conflicts of interest must be disclosed to the client: taking an apt phrase from another context, “sunlight is the best disinfectant.”
 - CFSC’s policy is to be vigilant in identifying applicable or potentially applicable conflicts of interest and then responding appropriately to the particular circumstances presented.
 - ❖ Such responses may include; making appropriate disclosures; taking steps to eliminate or mitigate the applicable or potentially applicable conflicts of interest; or other actions deemed appropriate under the circumstances.
- Whether or not the client authorizes the IA to exercise trading discretion over the client’s account.
 - If such discretion is granted by the client to the IA that means, in essence, that the IA may decide on and effect transactions in the client’s account without first obtaining the client’s express authorization for each such transaction.
- The custodial arrangements for the assets in each client’s account.
 - CFSC does not provide custodial services over, and does not maintain any possession or control of, any client’s securities, funds or other assets other than the client’s authorized fee withdrawal(s) from the client’s account(s).
 - A qualified third party custodian provides essential services for the client’s account(s), including, as applicable: custody, possession, control over all assets; transaction executions; generating and providing account statements; generating and providing trade confirmations; providing certain tax and other reporting; and providing various other services such as deductions of advisory fees as authorized by the client.

CFSC provides investment advisory services to a client in CFSC’s capacity as an IA. CFSC (via its IARs) may itself directly provide to the client investment advisory services that the client authorizes in a written agreement between the client and CFSC. In such circumstances, one or more CFSC IAR(s) will manage investments in the client’s account held by a qualified custodian and/or provide other investment advisory services (such as financial planning or consulting services) in accordance with the client’s instructions. CFSC may use the services of a third party IA or multiple third party IAs, not affiliated with CFSC, to directly provide the client with investment advisory service. This is sometimes referred to as a “Third Party Program.” Whereas CFSC would not have any involvement, input and/or decision making authority in respect of recommending and/or effecting any transactions and/or investment strategies and/or providing other investment services for the client. CFSC shall retain control of all client account related “advisory services” in the respect of doing what is best for its clients.

All or some of these matters can be complicated and confusing. As such, the client and the IA each should proactively take whatever steps as may be necessary or appropriate to understand and agree upon their respective roles, duties, rights, obligations and responsibilities. The client and the RIA each must understand all

written agreements and other disclosures that they sign with and/or receive from/exchange with each other. Ongoing open communications between the client and CFSC are requested and encouraged.

If at any time the client has any questions or concerns about CFSC, any IAR and/or any person associated with CFSC and/or any services or products provided to the client, the client should bring those questions or concerns promptly to his/her IAR and/or to CFSC's Compliance Department and/or CFSC's senior management.

Whether it acts in the capacity of an IA or otherwise, CFSC's two principal and overarching goals, applicable to CFSC, its IARs, its registered representatives and all persons associated with CFSC, are: (1) to have long term, productive and mutually beneficial relationships with all of its clients; and (2) to conduct its and their business fairly, ethically and in accordance with all applicable laws, rules and regulations.

2 MATERIAL CHANGES

Last Brochure update 01/30/2025 and before 12/31/2023

CFSC through its IARs manages approximately (\$68,471,136) in managed assets.

9. Disciplinary Information

On September 16, 2024, CFSC, without admitting or denying the findings, consented to the FINRA's findings. As the result, the firm was censured and fined \$50,000. The findings are CFSC's AML procedures were not reasonably designed to detect and report suspicious transactions, including potentially manipulative activity such as prearranged trading.

Please note, the Compliance Officer responsible for supervising such activity is no longer with the Firm.

19. A. Principal Executive Officers and Management Persons

CFSC designated Adam Woodworth, Compliance officer of the firm and the firm's RIA Supervisory Person.

Adam Woodworth

Education: Mr. Woodworth graduated from Johnson & Wales University with a Bachelor of Science in Hotel and Lodging Management and an Associate of Science in Business Administration.

Business Background (Last 5 years):

- Since April 2025: Colorado Financial Service Corporation / Compliance Officer
- From March 2021 to March 2025: TIAA / Registration & Licensing Coordinator
- From September 2019 to March 2021: TIAA / Financial Service Consultant
- Mr. Woodworth holds the Series 7, 24, 63, 66 and Life insurance registrations

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4 ADVISORY BUSINESS

Colorado Financial Service Corporation ("CFSC") was organized in 2000 as a securities broker-dealer to provide securities and securities related services to individuals and institutional clientele. Since June of 2012, CFSC has offered advisory services as an RIA.

CFSC is a corporation which is owned by Colorado National Corporation. Chester Hebert, who is CFSC's Chairman and CEO, owns more than 75% of Colorado National Corporation.

While CFSC's investment adviser representatives must endeavor at all times to put the interests of their clients first as part of an investment adviser's fiduciary duty to its clients, clients should be aware that the possible receipt of additional compensation itself creates a conflict of interest because it can affect the judgment of IARs when making recommendations. To mitigate this conflict of interest, CFSC (via its RIA supervisors) monitors the sales activity of all CFSC IARs to supervise that the products and services that CFSC IARs recommend to their clients are appropriate for the client's specific needs and situation.

4.1 Types of Advisory Services Offered

CFSC through its IARs offers various investment advisory services to clients depending on the client's needs and desires. Such services offered are:

A. Financial Planning and Consulting Services

B. IAR Directed Asset Management Services

At the present time, neither CFSC nor its IARs participate in or sponsor wrap fee programs.

4.1.1 Financial Planning and Consulting Services

CFSC through its IARs offers various financial planning and consulting services for a fee. Generally speaking, IARs will gather financial information and history from the client including, for example but not limited to, the client's current financial status, future goals and attitudes towards risk, investment objectives, investment horizon, financial needs, cost of living needs, education needs, savings tendencies, and other applicable financial information required, sought or obtained by IARs in order to provide the particular investment advisory services requested by the client. Based upon client's needs and desires, IARs typically will prepare a written financial plan, or summary or recommendations. Generally, financial planning and consulting services are offered in the following areas:

- PERSONAL: Family records, budgeting, personal liability, estate information and financial goals.
- TAX & CASH FLOW: Income tax and spending analysis and planning for past, current and future years.
- DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- RETIREMENT: Analysis of current strategies and investment plans intended to help the client achieve his or her retirement goals.
- INVESTMENTS: Analysis of investment alternatives and their impacts on a client's portfolio.

Financial planning services are based on the client's financial situation at the time of the discussions with the IAR and are based on financial information disclosed by the client to his or her IAR(s). Clients typically are advised that certain assumptions may be made with respect to interest and inflation rates, and data regarding past trends and

performance of the market and economy. However, past performance is not an indication or guarantor of future performance. Neither CFSC nor its IARs offers any assurances, warranties, guarantees and/or promises that any client's financial goals and objectives can and/or will be met.

Further, each client must continue to review any plan and update the plan based upon all relevant changes in the client's financial situation, goals, or objectives, or changes in the economy. Should any client's financial situation or investment goals or objectives change, such client must notify the IAR(s) promptly and communicate/describe the changes. Before any client chooses to implement the recommendations and investment advice contained in the plan or report, CFSC recommends strongly that each client seek the advice of, and work closely with, his/her attorney, accountant, insurance agent, and/or other financial professional such as stockbroker. Implementation of recommendations and advice (and/or rejection of all or part of same) is entirely at the client's sole and absolute discretion.

When/if clients choose to open a securities account or an investment advisory with CFSC to execute all or part of the IAR's financial planning report or recommendation, CFSC and/or the IAR will receive additional compensation in the form of commissions or asset based advisory fees. This presents a conflict of interest because IARs can recommend that their clients participate or invest in products or services with higher payouts. To help mitigate this conflict of interest, for example, CFSC as an RIA has established a Code of Ethics to which all IARs must comply. Furthermore, CFSC (through its supervisor(s)) monitors its IARs' sales activities to supervise that their recommendations are not improperly based on compensation arrangements or benefits. The client is under no obligation to accept or act upon the IAR's recommendations, and if the client elects to accept or act on any recommendation, the client is under no obligation to effect any transaction through the IAR, CFSC in its capacity as an RIA and/or CFSC in its capacity as a securities broker dealer.

Please note that, in the course of providing investment advisory services, IARs also can function as registered representative of a securities broker-dealer. And in such capacity, IARs can receive additional compensation in the form of commissions on securities transactions. This presents a conflict of interest. To help mitigate the conflict of interest that may result from receipt of such commissions, CFSC (through its supervisor(s)) reviews and monitors the sales activities of our IARs to supervise that products and services recommended to their clients are appropriate and suitable for the client's specific needs and situation. In addition, clients are not required to purchase securities products through the IAR and/or CFSC in its capacity as a securities broker dealer.

CFSC will provide CFSC's Code of Ethics upon receipt of the client's written request. Please see the cover page for CFSC's contact information.

Advice offered by IARs may involve investments in mutual funds. Certain mutual funds carry "loads" (i.e., sales charges assessed on each purchase) that may be up-front or on a contingent deferred basis, or be "no-loads" with no initial or contingent deferred sales charges assessed on purchase. Clients are advised that IARs can be registered representatives of CFSC in its capacity as a registered securities broker/dealer and member of the Financial Industry Regulatory Association ("FINRA") and Securities Investor Protection Corporation ("SIPC"). In this case, therefore, IARs have a conflict of interest in recommending mutual funds that carry a load since such mutual funds will pay IARs a commission should the purchase be made through IARs in their capacity as a registered representative of CFSC in its capacity as a securities broker dealer. CFSC addresses this conflict of interest by prohibiting its IARs from recommending any mutual funds with either contingent deferred sales charges (a/k/a "B" shares or "C" shares) or front loads (a/k/a "A" shares) for investment advisory accounts. When/if clients wish to purchase any mutual funds with front loads in their investment advisory account(s), such purchase will be

executed at net asset value (“NAV”) without sales charge. In addition, CFSC monitors its investment advisory accounts for mutual fund transactions to monitor compliance with such policies.

4.1.2 IAR Directed Asset Management Services

CFSC offers its clients portfolio management services customized to the individual needs and objectives of the client. Client portfolios may include mutual funds, exchange traded funds, individual stocks and bonds, and/or other securities deemed appropriate for the client and situation.

Clients can specify that their accounts be managed by CFSC in its capacity as an RIA either on a discretionary or non-discretionary basis. By selecting discretionary service, the client grants to his or her IAR discretionary authority for the account. In granting discretionary authority to his or her IAR, the client permits the IAR to choose which securities and the quantity and timing of those securities to buy or to sell for the account(s) without obtaining the client’s authorization or acceptance of such trades prior to effecting the transactions.

When discretionary service is selected, clients also are able to impose restrictions or limitations on investment in certain securities or types of securities. Please note that CFSC will not accept any client’s request for any securities restrictions that may be held with mutual funds. CFSC reserves the right, for any or no particular reason(s), to refuse any client’s request to grant CFSC discretionary authorization over any account(s).

4.2 Assets Under Management

As of December 31, 2024, CFSC through its IARs manages approximately \$68,471,136 in managed assets.

4.3 General Disclosures

A conflict of interest exist between the interests of CFSC and/or its IARs and the interests of the client in circumstances where CFSC and IARs offer financial planning and investment advisory services for a fee, and also offer various securities products for which either CFSC or IARs or both may be paid a commission. CFSC addresses this conflict of interest by prohibiting its IARs from charging additional commissions for IAR directed asset management accounts.

Clients can invest in a mutual fund directly without the services of CFSC. However, in doing so the client would not receive the investment advisory services described herein which are designed, among other things, to assist the client in determining which particular mutual fund or funds is/are appropriate for the client given such client’s financial situation. Clients should review both the fees charged by the funds and the fees charged by CFSC to fully understand the total amount of fees to be paid by the client in respect of the investment advisory services to be, or currently being, provided.

Clients are advised that investment recommendations and advice, and all investment advisory services described herein, that are or may be offered or provided by CFSC and/or its IARs and/or its registered representatives are not legal advice or accounting advice – neither of which is provided by CFSC and/or any person(s) associated with CFSC in any capacity. Clients should coordinate and discuss the impact of CFSC’s and/or its IARs’ and/or its registered representatives’ advice with their own attorney and/or accountant and/or other advisors that the client retains in his or her sole discretion. Clients are advised that it is necessary to inform their IARs promptly with respect to any changes in the client’s financial situation and investment goals and objectives. Failure to notify IARs of any such changes could result in investment recommendations or other advice not meeting the needs of the client.

Clients are advised that the IARs covered by this Disclosure Document most likely are independent contractors and not “regular” employees of CFSC. IARs receive a portion of the advisory fees charged to clients through CFSC. The portion of the advisory fees received by an IAR may vary from IAR to IAR depending on a variety of factors including, but not limited to, the IAR’s financial production through CFSC and other business arrangements with CFSC. The balance of the advisory fee is retained by CFSC as compensation for handling and administering the day to day operations of its business.

Clients are advised that advisory and other fees charged to clients by IARs may vary and are negotiable, but without the client’s agreement will not exceed the fee schedules contained or referenced herein.

As mentioned above, CFSC has adopted a Code of Ethics and its IARs are required to comply with it. In addition, CFSC makes CFSC’s Code of Ethics available to clients upon receipt of the client’s written request. Please see the cover page for our contact information.

4.4 No Warranties / Representations / Guarantees

Neither CFSC nor any person(s) associated with CFSC represents, warrants, guarantees and/or implies that the services, advice, recommendations and/or methods of analysis used by CFSC and/or its IARs and/or any third party manager(s) can or will: deliver any particular investment performance and/or other results; predict any particular future results; successfully identify market tops or bottom; and/or insulate or protect clients from realized or unrealized losses due to market conditions, corrections and/or crashes. No promises, guarantees, representations and/or warranties are offered that client’s goals or objectives can or will be achieved. Further, no promises, guarantees, representations, warranties and/or assumptions can be made that the investment advisory services offered by CFSC or its IARs and/or any third party manager(s) will provide a better return or performance than other investment strategies. The level of experience of IARs and third party managers varies and should be considered by the client.

4.5 Privacy Notice

CFSC gathers various nonpublic personal information from clients in order to provide investment advisory products and services. CFSC does not share nonpublic personal information with unaffiliated third parties except as required or permitted by law, and/or based on client authorization. Clients will be provided with a copy of CFSC’s privacy policy and/or other access to CFSC’s privacy policy (e.g., on CFSC’s website or other electronic means) upon establishment of a client relationship with CFSC and annually thereafter as long as client remains an active client.

5 FEES AND COMPENSATION

As previously stated in item 4 above, CFSC provides investment advisory services to clients in a number of different ways and the fees charged vary by services provided. Also refer to section 12 for securities brokerage, if applicable. Furthermore, lower fees for comparable services may be available from other sources or providers.

Clients and potential clients should ask his/her IAR(s) to disclose the compensation and any/all other financial or other incentives associated with the products or services that the IAR(s) recommend(s). Clients always have and retain the option and the right to purchase investment products through other broker-dealers, entities or agents that are not affiliated with CFSC.

In addition to being registered as an investment adviser, CFSC is registered as a securities broker-dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection

Corporation ("SIPC"). CFSC is also a Colorado licensed insurance agency. CFSC's principal executive officers may be insurance agents of CFSC, a Colorado licensed insurance agency. Approximately, 80% of the principal executive officers' time is spent directing the business of CFSC.

In their separate capacities as a securities registered representative and/or insurance agent, the CFSC Investment Adviser Representatives ("IAR" or "IARs" or "IAR(s)") are able to effect, respectively, securities and/or insurance product transactions for clients. In such regards IARs will receive separate compensation in the form of commissions as a result of clients purchasing securities products and/or insurance products through such persons. Such compensation is in addition to the advisory fees received by CFSC in its capacity as an RIA, which in itself creates a conflict of interest.

5.1 Financial Planning Services

Financial planning services are offered by CFSC in its capacity as an RIA as one-time service. Fees for such services can be either on an hourly or a fixed fee basis as negotiated and agreed by the client and CFSC. Hourly fees will be charged for financial planning services and/or if the scope of the engagement cannot be determined. To the extent that the scope of the engagement can be determined, IARs may quote the client a fixed fee. The fixed fee quote is based on a variety of factors considered, including but not limited to the time anticipated for providing the services, staff resources, number of client meetings, research, etc. Adjustments to fees may be made at any time based on the express mutual agreement of CFSC and the client. The fixed fee is calculated using an hourly rate multiplied by the number of hours estimated to complete the plan.

Fees for financial planning services are due upon delivery or presentation of the plan, summary or recommendations. For ongoing services, fees are due either monthly, quarterly or annually depending on the negotiated review and/or payment structure mutually agreed between CFSC and the client. For ongoing services, IARs also will provide presentation of the plan and/or recommendations for each review. For illustration purposes, and subject to different terms as may be mutually agreed by CFSC and the client, representative fees are as follows:

- Hourly Fee Rate - \$200 per hour
- Fixed Fee Range - \$200 to \$1,500
- Percentage of assets under management

Client may terminate, without penalty or paying fees, financial planning services within five (5) business days after entering into the financial planning agreement. After five (5) business days of entering into the financial planning agreement, client may terminate such services upon CFSC's receipt of client's written notice to terminate. Client will be responsible for any time spent prior to CFSC's receipt of client's written notice to terminate by CFSC or IARs in providing, researching and/or preparing the client's requested advisory services. Unless otherwise specified in writing, the advisory relationship and/or other agreement between Client and CFSC will be deemed completed and terminated upon presentation of the analysis, summary and/or recommendations and receipt of payment in full.

The client may in his/her discretion elect ongoing financial planning service(s), either monthly, quarterly, annually or as determined by the client. Ongoing services and the advisory-client relationship will be terminated either upon receipt of the client's written notice to terminate such relationship or upon delivery of written termination notice by either the IAR or CFSC's to the client. When the termination is initiated by either CFSC or the IAR, the

written termination notice will be provided to the client no later than 10 business days before the termination date.

Client is advised that fees for financial planning are strictly for financial planning services. Therefore, client also may pay other fees and/or commissions for additional services or products that the client chooses to obtain based in whole or in part on – or separate from -- the financial planning services, such as asset management services and/or securities or insurance products purchased.

Please note that in the course of providing advisory services, IARs also can function as registered representative of a securities broker-dealer (CFSC is “dually registered” as an investment adviser and as a securities broker dealer). And in their capacity as registered representatives of a securities broker-dealer, IARs can receive additional compensation in the form of commissions or trails. This presents a conflict of interest because IARs can recommend products and services based on commissions and/or trails instead of recommending them based only on each client’s particular needs and situation. To help mitigate the conflict of interest resulting from receipt of such commissions or trails, CFSC, via its RIA supervisors, reviews and monitors the sales activities of its IARs to supervise that products and services recommended to all clients are appropriate for the client’s specific needs and situation. In addition, clients are not required to purchase any securities products through CFSC, in its capacity as a securities broker dealer.

5.2 IAR Directed Asset Management Services

Clients pay CFSC the asset based advisory fees for advisory services performed directly by CFSC, via its IAR(s), in connection with the investment advisory account; IARs receive a portion of those fees based on arrangements between CFSC and the respective IAR. Clients can negotiate their advisory fee with CFSC and their IARs. The advisory fee will be calculated based on the account(s) value on the last business day of each calendar quarter and is collected in arrears. Based on the clients’ authorization to deduct fees directly from the account(s), CFSC and/or the custodian will cause the fees to be deducted from the client’s account(s) quarterly. Such client authorization is included in the client service agreement (a/k/a investment advisory agreement) signed by the client and CFSC. When/if a client specifically requests, in writing, not to have the fees deducted from his/her advisory account, and if such arrangements are agreed to in writing by CFSC, CFSC will bill the client for fees incurred. See section 15 of this document for more detailed billing process.

Unless otherwise agreed by the client and CFSC based on particular circumstances, the asset based fees should not exceed the fee schedule below (default fee schedule). Please note that when a client does not select any negotiated fee schedule, the default fee schedule will be automatically applied.

VALUE OF ASSETS	ANNUAL RATE
LESS THAN \$100,000	2.5%*
\$100,001 TO \$500,000	2.0%
\$500,001 TO \$1,000,000	1.75%
\$1,000,001 TO \$2,500,000	1.5%
OVER \$2,500,000	Negotiable

In addition, accounts will be charged various fees by the custodian of the account including execution fees, custodial fees, etc. When client selects a certain model portfolio available through a designated platform or other

means, a portion of the Advisory Fees will be directed and paid to the Third Party Asset Manager and the platform administrator.

For the CFSC IAR Directed Asset Management Account, the Client can make additional deposits to and/or withdrawals from the account(s) at any time. Additional assets received into the Account(s) after it is opened will be also charged the advisory fee. Client can also withdraw the Account(s) assets upon notice to CFSC or the custodian of the account(s), subject to the usual and customary timing and securities settlement procedures.

- Please note that the same or similar services may be also available elsewhere at amounts lower than those charged by CFSC.

Client may terminate, without penalty, the advisory agreement within five (5) business days after entering into the agreement. Thereafter, the agreement may be terminated upon receipt of written notice by either client, CFSC, or IAR. However, clients will be obligated to pay unpaid portion of the advisory fees. Upon receipt of termination notice, CFSC will send the client an invoice itemizing the unpaid portion of advisory fees including the formula used to calculate the fee, the amount of assets under the management upon which the unpaid portion is based, the time period covered by the remaining fee.

6 PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

CFSC does not accept performance based fees.

7 TYPES OF CLIENTS

CFSC can provide investment advisory services to individuals, high net worth individuals, pension and profit sharing plans, corporations and other legal entities. CFSC's fiduciary status in respect of any pension and profit sharing plans which are subject to the ERISA rules and regulations may vary based on the particular circumstances.

CFSC has no minimum account value requirement either for opening or maintaining an account.

8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

CFSC does not have any proprietary advisory programs or services directly sponsored, authored and/or prepared by CFSC. Therefore, CFSC does not have any proprietary analysis or investment strategies or investment formula in providing or directly managing clients' accounts. CFSC's IARs use their own analysis, third party research providers and/or other means designed to tailor investment models and/or strategies to meet their clients' needs.

For directed asset management services provided, each IAR will develop his/her own investment strategies or a group of portfolio strategies or asset allocation models based on each IAR's research and/or analysis. Each IAR will provide a copy of the IAR's brochure supplement (Form ADV Part 2B) with information regarding models, strategies and/or means that the IAR utilizes.

Some common methods of analysis include the following:

Fundamental analysis of a business principally involves analyzing its financial statements and health, its management and competitive advantages, and its competitors and markets. When applied to futures and foreign exchange markets, fundamental analysis focuses in part on the overall state of the economy, interest rates, production, earnings, and management. When analyzing a stock, futures contract, or currency using fundamental analysis, there two basic approaches one can use: bottom up analysis and top down analysis.

Technical analysis principally involves examining what investors fear or think about those and other relevant developments and whether or not investors have the wherewithal to back up their opinions. These two concepts are called psych (psychology) and supply/demand. However, technicians employ many techniques. One technique that is applied frequently and commonly is the use of charts. Using charts, technical analysts seek to identify price patterns (including such things as support and resistance levels) and market trends in financial markets, and attempt to take advantage of those patterns.

Cyclical analysis involves a study of market movements including, for example, pricing and quantity over a stated period of time with special attention given to frequency and strength of various market cycles.

IARs also can evaluate a variety of different strategies in an attempt to accomplish their client's investment objectives, including for example the following:

- Long term purchases involve the purchase of securities that are intended to be held for at least twelve months;
- Short term purchases involve the purchase and sale of securities that are intended to be held for less than a twelve month period;
- Trading securities involves the frequent purchase and sale of securities, in a period of less than thirty days. Portfolio expenses are increased with more frequent trading because frequent trading generates various transaction costs;
- Options writing involves writing (selling) options contracts on securities you own (covered) or a combination of puts and calls for a particular hedging strategy. Options trading can be very risky and should be undertaken only with a full understanding of its costs, risks and tax implications.

Various risks attend to each investment strategy, and levels of risk vary. IARs will endeavor to determine the level of risk that a particular client is willing to accept and develop a portfolio strategy that is appropriate for the client and accepted by the client. There can be no assurance that any investment strategy, whether long term or short term, trading, options or otherwise, will result in a profit and/or prevent a loss. In other words, investing in securities inherently involves a variety of risks, and clients should be prepared to bear any and all risks associated with each investment or investment strategy that they choose or authorize.

Please note that certain IARs may recommend or implement investment strategies, such as tactical allocation or timing strategies, which generally require frequent trading of securities in the account. Frequent trading activities in the account do not guarantee gains and/or profitability in the account. Moreover, frequent trading activities can increase overall risks in the account. Since frequent trading incurs/results in substantial transaction charges, such trading strategies could reduce the overall profitability and/or increase the expenses for the account. Frequent trading activities also have tax ramifications. CFSC urges all of its clients to consult with a competent accountant, tax attorney, tax advisor or other tax consultant to obtain advice and counsel regarding these important matters.

Clients must be aware that investing in securities has inherent risk of loss that they should be prepared to bear.

9 DISCIPLINARY INFORMATION

On February 19, 2014, CFSC, without admitting or denying the findings, consented to the FINRA's findings. As the result, the firm was censured and fined \$10,000. The findings are CFSC failed to establish, maintain and enforce an adequate system and supervisory procedures to supervise and review electronic communications and due diligence review of product offerings

On September 25, 2014, CFSC agreed to the sanctions imposed by the Securities and Exchange Commission ("SEC"). Sanctions ordered are: cease and desist, censure and pay a civil money penalty in the amount of \$25,000 to the SEC. Allegations are CFSC failed to comply with net capital rules as a result of: (i) its registered representatives holding client checks; and (ii) its registered representative failing to forward checks to escrow account instead of issuer.

Please note that registered representatives in both cases are no longer with the firm.

On September 16, 2024, CFSC, without admitting or denying the findings, consented to the FINRA's findings. As the result, the firm was censured and fined \$50,000. The findings are CFSC's AML procedures were not reasonably designed to detect and report suspicious transactions, including potentially manipulative activity such as prearranged trading.

Please note, the Compliance Officer responsible for supervising such activity is no longer with the Firm.

10 OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS

In addition to being registered as an investment adviser, CFSC is registered as a securities broker-dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). This represents a conflict of interest in that advisors may offer clients securities products that are sold on commission and are in addition to any fees charged by the adviser to the client. For financial planning and other investment advisory services, clients are under no obligation to purchase any securities products through/via CFSC in its capacity as a securities broker-dealer.

CFSC is also a licensed Colorado insurance agency. This represents a conflict of interest in that advisors may offer clients insurance products that are sold on commission and are in addition to any fees charged by the adviser to the client. For financial planning and other investment advisory services, clients are under no obligation to purchase any insurance products through/via CFSC in its capacity as an insurance agency.

11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

11.1 Code of Ethics

CFSC has a fiduciary duty to clients to act in the best interests of the client and always place the client's interests first and foremost. CFSC takes very seriously its compliance and regulatory obligations, and it requires all staff to comply with all applicable laws, rules and regulations as well as CFSC's policies and procedures. Further, CFSC strives to handle clients' non-public personal information in such a way to protect such information in accordance with CFSC's Privacy Policy.

Moreover, CFSC maintains a Code of Ethics for its IARs, supervised persons and other relevant staff. The Code of Ethics contains, among other things, standards of business conduct designed to comply with federal and states securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about client transactions. Further, CFSC's Code of Ethics establishes CFSC's expectations for business conduct. A copy of CFSC's Code of Ethics will be provided to any client or prospective client upon request,

11.2 Participation or Interest in Client Transactions

Neither CFSC nor its IARs recommend purchase or sale of securities to customers in which either CFSC or any related person has any proprietary ownership interest.

11.3 Same Securities We Recommendation to Our Client and Personal Trading

IARs can buy or sell securities identical to those securities recommended to their clients. This presents a conflict of interest because IARs can personally benefit from their clients transactions when they place their transactions before their clients' and also receive better price that their clients receive. This conflict of interest can be more significant or material when the security purchased or sold is a thinly traded security (in other words, if the trading volume is low.) To help mitigate such conflict of interest, CFSC requires its RIA supervisors to review IARs' personal securities transactions and CFSC maintains records of the securities holdings and transactions for IARs and other associated persons who are subject to the firm's Code of Ethics. Furthermore, all such persons are prohibited from trading on material, non-public information and/or sharing such information.

IARs are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities and other laws, rules and regulations, as well as CFSC's policies, procedures and requirements.

12 BROKERAGE PRACTICES

12.1 Soft Dollar Practices

At the present time, CFSC does not have in place or effect any soft dollar arrangements, such as research reports. If and when CFSC enters into any soft dollar arrangements, such arrangements will be disclosed in this section.

12.2 Client Referrals

CFSC does not receive any compensation or reward from unaffiliated third party broker-dealers for referring our clients for transactions with the broker-dealer. However, and as mentioned in section 4 of this document, when clients open an account under the CFSC introducing broker-dealer arrangement with Hilltop Securities or Charles Schwab, CFSC, in its capacity as a securities broker-dealer, receives certain compensation based on transactions in the account and otherwise. CFSC mainly utilizes Charles Schwab for portfolio management.

12.3 Directed Brokerage

For CFSC-provided directed asset management services (referred to herein as IAR directed asset management), clients must open their investment advisory accounts with Hilltop Securities. At the present time, CFSC does not offer any such directed asset management services for any accounts held with any custodian other than Hilltop Securities. Please note that not all investment advisory firms require their clients to open or maintain their accounts with or under any specific custodian(s), broker-dealer(s) or securities clearing firm(s) – in other words, some investment advisory firms are "custodian agnostic."

Some IARs also are registered representatives with CFSC in its capacity as a registered securities broker-dealer. Therefore, they are subject (among others) to rules of the Financial Industry Regulatory Association (FINRA) and are limited to executing securities transactions through CFSC unless the IARs obtain authorization from CFSC to execute securities transactions through another securities broker-dealer. Authorizations to execute securities transactions through another securities broker-dealer are generally very limited.

12.4 Trade Aggregation (also known as a bunching trade or bundled trade)

CFSC or IARs may aggregate discretionary securities transactions, if needed or appropriate under the circumstances. In addition, securities transactions of IARs' personal or related accounts can be included in aggregated securities transactions, also if needed or appropriate under the circumstances. Trade aggregation may

be appropriate for the purpose of giving equal execution prices to multiple clients when a transaction is for the same security in multiple accounts on a given day. By doing so, all clients participating in the transaction will receive the same price. In addition, by doing so, neither CFSC nor IARs will favor one client over another in placing the securities transactions order(s). In other words, trade aggregation helps to eliminate these execution price conflicts of interest among client orders.

Please note that when/if it is not possible to aggregate transactions (e.g., due to system failure or technical difficulty), IARs may enter such securities transactions one client account at a time. In this case, each transaction may, will or can receive different price. However, the firm's policy prohibits all IARs from exercising any favoritism of themselves and/or of one client over another client in order entry. At client request, IARs will provide a list of all prices executed for his or her client accounts on the same day for the same security and the same side of transactions.

13 REVIEW OF ACCOUNTS

13.1 Review of Financial Planning & Consulting Services

Reviews will be conducted with clients per the client's request. Also, CFSC reserves the right at any time in its discretion to review any account and/or service provided. The frequency of review varies based on the client's requests and other circumstances. For ongoing services, clients will be charged an advisory fee as a retainer fee, which is negotiable between the client and CFSC, for each review, either monthly, quarterly or annually depending on the negotiated and agreed review and payment schedule. Reviews will be documented in writing. Advisory services' supervisors will be responsible for the review of services provided by their IARs. See section 5.1 of this document for the fees and charges associated with reviews.

13.2 Review of IAR Directed Managed Accounts

The IAR initially reviews the client's investment objectives, financial status, financial goals and needs with the client. As long as the account is managed by the CFSC IAR under an advisory agreement, the IAR will continuously monitor the account and contact/discuss with the client at least annually. The annual contact is for the purpose of determining what, if any, adjustments or recommendations the IAR might deem appropriate to make to the client's account and/or to receive from the client any changes or updates to the client's situation relevant to the advisory relationship. CFSC's RIA supervisors also may participate in any review and/or do so independently.

13.3 Additional Information Regarding Reviews

Clients can request more frequent reviews and/or set thresholds for triggering events that would cause a review to occur.

13.4 Regular Reports Provided to Clients

Based on the client's selection of services or other directions, reports will be provided as follows:

- a) Financial Planning Services (other than ongoing service) – Upon completion of the review, the IAR will provide a written report, summary and/or recap letter.
- b) Ongoing Financial Planning Services – Upon completion of each review, the IAR will provide a written report, summary and/or recap letter.

- c) IAR Directed Managed Accounts – Upon execution of each transaction, client shall receive a confirmation directly from the custodian and/or other entity that processed or executed the transaction. During any month with a transaction, client shall receive a monthly account statement from the custodian.
- d) Third Party Sponsored Advisory Program Accounts – Periodic reporting varies by third party sponsors. However, account statements shall be provided directly by the custodian no less than quarterly.

13.5 RIA Supervisory Personnel

CFSC designated Adam Woodworth, Compliance Officer of the firm and the firm's RIA Supervisory Person.

14 CLIENT REFERRALS AND OTHER COMPENSATION

14.1 Referral Fee Payments

Neither CFSC nor its IARs compensates, either directly or indirectly, any unaffiliated individuals or entities for client referrals.

14.2 Other Compensation

For investment advisory and/or broker dealer accounts held/in custody with CFSC's securities clearing firm, Hilltop Securities, under the introducing broker-dealer arrangement CFSC, acting in its capacity as a broker-dealer, receives additional compensation per transaction. This additional compensation represents a conflict of interest due to the fact that CFSC's associated personnel may have an incentive to execute more transactions in clients' accounts held by Hilltop Securities. To mitigate the conflict of interest resulting from such additional compensation, CFSC does not share this additional revenue with the IARs who participate in the Hilltop Securities brokerage transactions and CFSC monitors its advisory accounts for active trading.

If CFSC holds any internal meetings for persons associated with it, such as annual or other national, regional or other conferences or meetings, CFSC can receive financial compensation from unaffiliated third party product sponsors and/or from unaffiliated third party service providers in exchange for CFSC offering them a booth or other presentation opportunities during the conference or meeting. A key purpose of such conferences or meetings is to provide ongoing educational and training opportunities to CFSC IARs and registered representatives in various areas, including for example advisory and/or securities and/or insurance products and services, as well as legal and/or compliance related issues in respect of such products and services.

Please note that clients do not pay any additional fees or costs to purchase products or services provided by the contributing sponsors or providers. Nevertheless, the receipt of such contribution will possibly provide a financial incentive for CFSC to promote certain products or services over others. To mitigate this conflict of interest, CFSC will not promote any specific products or services over others due to such contribution(s). In addition, CFSC will not pass any financial or economic benefit received from contributing sponsors or providers to individual IARs and/or registered representatives.

When IARs and/or registered representatives attend seminars or training and educational conferences sponsored by third party product or service providers, costs of attending such events will be reimbursed, in whole or in part, by the product or service provider. IARs and/or registered representatives can also receive promotional items, meals or entertainment or other non-cash compensation from the sponsor as permitted by the regulatory rules and CFSC's internal policies and procedures. This presents a conflict of interest because IARs can recommend the products and services to their customers based on the reimbursement they receive or received instead of their clients' particular needs and situation. To mitigate this conflict of interest, CFSC will review each sponsor's

reimbursement schedule and program prior to allowing CFSC's IARs and/or registered representatives to attend the sponsor's seminars or conferences. In addition, CFSC prohibits its IARs and/or registered representatives from receiving any monetary benefit from attending such event(s).

15 CUSTODY

Neither CFSC nor its IARs maintains custody of any client securities or funds other than the client's authorized fee withdrawal(s) from the client's account(s). Clients receive, at least quarterly, account statements directly from their respective custodian, bank, broker-dealer or other qualified custodian that holds and maintains clients' accounts, showing all transactions, deposits and disbursements for the account including the amount of advisory fees.

Included in the applicable client services agreement, which each investment advisory client is required to execute, is an authorization for CFSC or other investment adviser or qualified custodian retained by the client to withdraw advisory fees directly from the client account. Each time a fee is directly deducted from the client's account, CFSC or other investment adviser retained by the client will concurrently or in another timely fashion send the qualified custodian notice of the amount of the fee to be deducted from the client's account and send the client an invoice itemizing the fee including the formula used to calculate the fee, the fee calculation itself, the amount of assets under management upon which the fee is based, and the time period covered by the fee.

Depending on the particular advisory services selected by the clients, clients can receive additional account reports, such as a quarterly performance report, if available. CFSC urges all clients to review such reports and always compare the reports with the statements provided by the custodian. Concurrent with the withdrawal of fees from a client account or in another timely fashion, the client shall receive a statement from the custodian indicating amount of fee withdrawn. Clients should carefully review promptly after receipt all statements received from the custodian.

16 INVESTMENT DISCRETION

For IAR directed asset management services, clients have the option to authorize CFSC through IARs to make investment decisions of selecting securities types and specific securities. Specifically, clients have the option to authorize CFSC through IARs to manage their accounts on a discretionary basis by executing a client services agreement that grants such discretion to their IAR(s). The discretion is limited as to the securities to be purchased or sold, the quantity of securities to be purchased or sold, the timing, and the price to be paid for any purchase or sale.

Neither CFSC nor IARs is authorized to withdraw funds or securities from a client's account except for the withdrawal of management fees that the client authorizes in the investment advisory agreement at the time of opening the account and/or in circumstances where the client expressly authorizes such withdrawals in writing. The client can revoke such authorization, at any time, in writing. The custodian will provide a statement to the client showing the amount of fees withdrawn.

17 VOTING CLIENT SECURITIES

Neither CFSC nor its IARs takes any action or renders any advice to clients with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in clients' accounts.

In other words, clients retain the authority and responsibility to vote proxies for their accounts. The custodian will directly deliver to the client all proxies and related materials. In addition, neither CFSC nor its IARs has any

obligation(s) to render advice or take any action with respect to securities or other investments, or the issuers thereof, which become subject to any regulatory, legal or other proceeding(s), including bankruptcies.

18 FINANCIAL INFORMATION

Neither CFSC nor its IARs:

- Has or maintains clients' funds or securities in its/their custody or possession; or
- Requires or solicits prepayment of more than \$500 or six months or more in advance of advisory fees.

In these two regards, CFSC does not have financial commitments that impair its ability to meet contractual commitments to clients.

In addition, CFSC has not been the subject of a bankruptcy proceeding.

19 REQUIREMENTS FOR STATE REGISTERED ADVISERS

A. Principal Executive Officers and Management Persons

Chester Hebert

Education: Mr. Hebert attended Louisiana State University, University of Louisiana – Lafayette and the University of West Florida majoring in Finance and Accounting.

Business Background (Last 5 years):

- Since January 2008: Colorado Financial Service Corporation / Chairman, President, & CEO
- Since May 2002: The Compliance Department, Inc. / Owner and President
- Mr. Hebert holds the Series 7, 24, 27, 63, 79, 82, and 99 registrations

Jameson Thon

Education: Mr. Thon attended the International University of Bad Honnef earning an MBA in Corporate Finance and Accounting and also the University of Colorado for a Bachelors in Spanish Language and Literature.

Business Background (Last 5 years):

- Since May 2021: Colorado Financial Service Corporation / President
- From October 2018 to May 2021: TIAA / Financial Service Consultant
- Mr. Thon holds the Series 6, 7, 24, 63

Keith Feldman

Business Background (Last 5 years):

- Since June 2021: Colorado Financial Service Corporation / Registered Rep Sales Supervisor
- From August 2019 to June 2021: Self Employed / Self Employed As A Compliance Officer
- Mr. Feldman holds the Series 7, 24, 4, 53, 55, 57, and 63 registrations

Adam Woodworth

Business Background (Last 5 years):

- Since April 2025: Colorado Financial Service Corporation / Compliance Officer
- From March 2021 to March 2025: TIAA / Registration & Licensing Coordinator
- From September 2019 to March 2021: TIAA / Financial Service Consultant
- Mr. Woodworth holds the Series 7, 24, 63, 66 and Life insurance registrations

B. Other Business Activities

As mentioned above, since 2002 Mr. Hebert has been owner and President of The Compliance Department Inc., a national consulting firm. The Compliance Department Inc. is a national consulting firm providing compliance consulting services to securities broker-dealers, investment advisory firms, and insurance companies and banking organizations. In his capacity as President & CEO of The Compliance Department Inc., Mr. Hebert directs the activities of several independent contractor consultants around the country. The firm is involved in technology solutions to compliance issues as well as providing specific compliance services to its clients. Mr. Hebert operates the company from the same location as the broker-dealer and spends less than 20% of his time on the consulting business.

Also, please refer to section 10 of this document.

C. Performance-Based Fees

Please see section 6 of this document.

D. Material Events

Neither CFSC nor its management persons has any material adverse event(s) other than the regulatory action disclosed above to disclose.

E. Relationship or Arrangement with Any Issuer of Securities

At the present time, CFSC has neither a relationship nor an arrangement with any securities issuer other than the selling arrangement with certain securities issuers such as investment companies. However, CFSC acting in its capacity as a securities broker dealer may provide investment banking services to the issuer of certain securities. In any such instance, required and/or appropriate disclosures will be made.