

## **Firm Brochure**

(Part 2A of Form ADV)



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This brochure provides information about the qualifications and business practices of CVT Financial Planning. If you have any questions about the contents of this brochure, please contact us at (603) 837-2506, or by email at [c.taradash@cvtfinancial.com](mailto:c.taradash@cvtfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about CVT Financial Planning is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's CRD number, which is 116742.

Registration with the SEC and other state securities as a registered investment adviser does not imply a certain level of skill and training.

March 17, 2017

CVT Financial Planning

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

Item 5: Fees and Compensation - Updated fee schedule for Asset Management Retainer clients. This service continues to not be available to Vermont residents.

Item 7: Account Minimum – Updated the minimum fee for Asset Management Retainer clients.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (603) 837-2506 or by email at: [c.taradash@cvtfinancial.com](mailto:c.taradash@cvtfinancial.com).

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## Item 4: Advisory Business

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### Firm Description

CVT Financial Planning was founded in 1999 by Cynthia V. Taradash, MBA, CFP®, ChFC. Cynthia (Cindee) is the sole owner of CVT Financial Planning.

CVT Financial Planning is an independent, fee-only financial advisory firm specializing in advising middle-income individuals and couples on how they may attain their financial goals. The firm may also advise trusts, estates, charitable organizations and small businesses.

CVT Financial Planning is strictly a fee-only financial planning firm. The only compensation we receive is from fees paid directly by clients. The firm does not receive commission based on the client's purchase of any financial product, including insurance. No commissions in any form are accepted. No referral fees are paid or accepted. No benefits are received from custodians/broker-dealers based on client securities transactions (soft dollar benefits).

Conflicts of interest will be disclosed to the client and managed in the best interest of the client.

The first, free, initial meeting with CVT Financial Planning includes a detailed discussion of the prospective client's goals and concerns, a discussion about their investment risk tolerance and a review of their current assets and liabilities. Once the financial objectives are clearly understood, we can determine the most appropriate process to assist the prospective client in achieving their goals.

The purpose of the initial, free consultation is for CVT Financial Planning to gather information about the prospective client in order to make a recommendation of the best course of action for the prospect. There are generally three possibilities. One is for CVT Financial Planning to prepare a Financial Plan. A second option is for CVT Financial Planning to prepare a Retirement and Investment plan. The third option is for specific work to be completed on a per project or hourly basis.

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### Types of Advisory Services

#### **Financial Plan:**

Typically, most clients begin by investing in a Financial Plan. Each plan is unique and specifically tailored to address the client's goals and concerns. The time frame for delivery of the plan will be less than six months after CVT Financial Planning has received all requested documents.

Typical components of the financial plan include:

- Goals — A summary of the client's goals and concerns. The financial plan will address how the client may achieve each of their goals.
- Net Worth Statement — This is a list of all the client's assets and liabilities.

- **Cash Flow Statement** – The cash flow statement is an extremely important component of the financial plan because it shows how much discretionary income a client currently has.
- **Income Tax Planning** — The financial plan will examine a client’s current federal and state income tax liabilities and determine if there are possible, legal ways to reduce their income taxes.
- **Protection Planning** — This includes an analysis of what the client’s situation may look like in the event of a disability or premature death. The analysis will show the optimum amount of disability insurance and life insurance a client may want to own.
- **Investment Planning** — The investment review is a detailed analysis of client’s current investments and asset allocation. The recommendations will suggest changes the client might wish to consider making.
- **Education Planning** — This is an analysis of how much the client should be saving annually to meet any education goals. Education planning includes an analysis of potential financial aid eligibility.
- **Goal Analysis** — This is an analysis of what it will take for the client to achieve their goals, whether it is the purchase of a new car, a second home or even a once in a lifetime vacation.
- **Retirement Planning** — The retirement planning section of the financial plan is a detailed analysis of how a client might achieve their retirement goal. Multiple scenarios are run with various assumptions so the client can see, for example, the impact on how much should be invested annually if the retirement age is changed, if the presumed rate of return for the investments is changed or if the inflation rate is changed.
- **Estate Planning** — This is a valuation of a client’s current estate, what their estate tax liability may be and a projection of how much their heirs may receive.
- **Recommendations** — The recommendations in the financial plan are specific and unique to each client. They address each of the client’s goals and concerns and provide them with specific suggestions to consider in order to achieve their goals. Many clients find that the recommendations act as a “to-do” list—a step-by-step list of items to take action on and decisions to be made.

**Asset Management Retainer** (not available for Vermont residents):

The Asset Management Retainer service is for clients with a completed Financial Plan. For a fixed rate (billed quarterly), clients have the ability to obtain any financial help or information they desire. This includes help in implementing the recommendations of the

financial plan, monitoring investments, reviewing tax returns, choosing employee benefits, answering questions and advice with any other financial issues that may arise.

CVT Financial Planning does not have any authority to trade on any client accounts. Clients have absolute, 100% control of their investments. It also means clients are responsible for placing their own trades. We will provide clients with investment suggestions, discuss the benefits and drawbacks of each investment recommendation and help clients decide which specific investments they would like to purchase for their portfolio. Frequently, clients choose to have copies of their investment statements sent directly to CVT Financial Planning so we may easily monitor their investments.

**On-Going Management Service (For Vermont residents only):**

The On-Going Management Service is only available for Vermont clients with a completed Financial Plan. For a fixed rate (billed quarterly), clients have the ability to obtain any financial help or information they desire. This includes help in implementing the recommendations of the financial plan, investment advice, reviewing tax returns, choosing employee benefits, answering questions and advice with any other financial issues that may arise.

CVT Financial Planning does not have any authority to trade on any client accounts. Clients have absolute, 100% control of their investments. It also means clients are responsible for placing their own trades. We will provide clients with investment suggestions, discuss the benefits and drawbacks of each investment recommendation and help clients decide which specific investments they would like to purchase for their portfolio. Frequently, clients choose to have copies of their investment statements sent directly to CVT Financial Planning so we may easily monitor their investments.

**Retirement and Investment Plan:**

A Retirement and Investment Plan may be the appropriate choice for clients who are at or near retirement age and don't require the complexity of a full financial plan. The retirement analysis recommendations are coordinated with the investment portfolio recommendations and are based on the client's retirement goals and investment risk tolerance.

**Small Business Retirement Plan Investment Management:**

The Small Business Retirement Plan Investment Management service is for investment management of retirement plans such as 401(k) plans and cash balance plans.

**Project and Hourly Work:**

When neither a Financial Plan nor a Retirement and Investment plan is appropriate, specific tasks may be performed at a fixed hourly rate or on a per project basis for a fixed fee.



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## Tailored Relationships

Advice to clients by CVT Financial Planning is unique and specific to each client based on their individual goals and financial situation. Advice may be derived from analysis performed by the firm and through discussions with the client.

Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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## Wrap Fee Programs

CVT Financial Planning does not participate in wrap fee programs.

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## Client Assets

All client assets remain in the client's control at all times. CVT Financial Planning does not manage client assets on a discretionary basis. CVT Financial Planning does not manage assets on a non-discretionary basis.

For clients on the Asset Management Retainer, the On-Going Management Service or the Small Business Retirement Plan Investment Management Retainer, with the client's permission, the firm may automatically receive duplicate copies of client investment statements so the firm can monitor client investments. This also eliminates the need for clients to send their statements to CVT Financial Planning.

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## Types of Agreements

The following agreements define the typical client relationships.

### **Financial Plan Agreement:**

The Plan will provide an objective written analysis of the client's current personal and business financial situation based on information they provide to CVT Financial Planning. It will also provide written recommendations as to how to best meet personal and business financial goals. The plan will be based on the client's current goals, objectives and financial concerns, as discussed. The analysis will include recommendations in six financial planning areas – net worth, income taxes, insurance, investments, retirement planning and estate planning. Additional analysis specific to each client will also be addressed as warranted.

The Financial Plan includes one initial and one plan review consultation. Meetings may be in-person or via telephone.

### **Asset Management Retainer Service** (not available for Vermont residents):

At the completion of the Financial Plan, clients may choose to continue to work with CVT Financial Planning on an on-going, retainer basis. Only clients with a completed financial plan who do not live in Vermont may choose this service.

The Asset Management Retainer includes, but is not limited to discussions and analysis of cash flow, income taxes, investments, retirement planning, insurance, employee benefits, education planning and estate planning. The retainer service also includes advice on the clients real estate, automobiles, mortgages and car loans.

The fee for this service is based on total assets. Assets include, but are not limited to, stocks, bonds, mutual funds, employee retirement plans, savings accounts, checking accounts, money market accounts, certificate of deposits, life insurance cash values, automobiles, real estate and personal property. Total asset value will be calculated annually and the fee will be adjusted accordingly.

It is the client's responsibility to advise the firm if there is any change in their circumstances.

**On-Going Management Service (For Vermont residents only):**

At the completion of the Financial Plan, clients may choose to continue to work with CVT Financial Planning on an on-going basis. Only clients with a financial plan completed by CVT Financial Planning within the past 45 days who live in Vermont may choose this service.

The On-Going Management Service includes, but is not limited to discussions and analysis of cash flow, income taxes, retirement planning, insurance, employee benefits, education planning and estate planning as well as investment advice.

The fee for this service is based on the total value of all client investable assets (stocks, bonds, mutual funds, exchange traded funds, annuities and REIT's). Investment asset value will be calculated annually and the fee will be adjusted accordingly.

It is the client's responsibility to advise the firm if there is any change in their circumstances.

**Retirement & Investment Plan:**

The Retirement & Investment Plan is appropriate for clients who have questions and concerns specifically about their retirement goals and their investment portfolio. The plan will be based on the client's current goals, objectives and financial concerns, as discussed. The analysis will include recommendations in three financial planning areas – net worth, investments and retirement planning. It specifically excludes analysis and discussion of cash flow, income tax planning, review of insurance policies, disability planning, premature death planning, long term care analysis and estate planning analysis. This plan is not intended to be a comprehensive financial plan.

The Retirement & Investment Plan includes one initial and one plan review consultation. Meetings may be in-person or via telephone.

**Small Business Retirement Plan Investment Management Retainer:**

Typically, this service includes an annual hourly investment education meeting with employees, monitoring of all employee retirement plan accounts, on call availability for

employee questions, on call availability for trustee questions, annual review of the Investment Policy Statement and participation in the annual trustee and plan administrator conference call.

**Project & Hourly Planning Engagements:**

CVT Financial Planning provides hourly and per project planning services for clients who seek advice on a limited scope of work.

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**Fee Calculations**

The fee for the Financial Plan, Investment & Retirement Plan and the Asset Management Retainer (not available to Vermont residents) is based on total assets, including investable assets owned by the client. Assets include, but are not limited to, stocks, bonds, mutual funds, employee retirement plans, savings accounts, checking accounts, money market accounts, certificate of deposits, life insurance cash values, automobiles, real estate and personal property.

The fee for the On-Going Management Service (for Vermont residents only) is based on the total value of all investable assets owned by the client. Investments include stocks, bonds, mutual funds, exchange traded funds, annuities and REIT's.

The fee for the Financial Plan and the Investment & Retirement Plan requires a 50% down payment with remainder due upon completion of the plan. Fee may be tax deductible. Any client not fully satisfied may request a full refund of the cost of their financial plan less the number of plan preparation hours, assessed at the standard hourly fee (\$175 per hour) within 30 calendar days of plan delivery.

If client circumstances change substantially prior to the financial plan review meeting for either the Financial Plan or the Investment & Retirement Plan, a \$250 revision fee will be charged. The agreement terminates at the conclusion of the plan review meeting.

The fee for the Asset Management Retainer service and the On-Going Management Service are calculated and adjusted annually. The fee is billed quarterly and is payable in advance. It may also be tax deductible. Any client not fully satisfied may request a refund of the quarterly fee less the number of hours charged in the quarter calculated at the standard hourly rate (\$175 per hour). If a client wishes to terminate this agreement, they must notify CVT Financial Planning prior to the start of the new quarter.

The fee for the Small Business Retirement Plan Investment Management Retainer is based on the value of total plan assets and is adjusted annually. The fee is billed quarterly.

Hourly and project work is billed at \$175 per hour.

No assignment of any contract shall be made by CVT Financial Planning without the client's written consent. Under no circumstances will CVT Financial Planning have discretionary authority or custody of client assets.

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## Fiduciary Duty

Except for negligence or malfeasance, or violation of applicable law, neither CVT Financial Planning, Cynthia V. Taradash, officers, directors or employees of CVT Financial Planning shall be liable hereunder for any action performed or omitted to be performed or for any errors of judgment. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which the client may have under any federal or state securities laws. In this regard, nothing herein shall abridge the fiduciary duty imposed on the advisor to act for the benefit of the client nor any rights the client may have as a result of that duty.

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## Termination of Agreement

A client may terminate any of the aforementioned agreements at any time by notifying CVT Financial Planning in writing. For the Asset Management Retainer, On-Going Management Service and the Small Business Retirement Plan Investment Management Retainer contracts, the refund will be determined by multiplying the number of days remaining in the quarter with the calculated daily fee. For all other contracts, clients will pay the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, CVT Financial Planning will refund any unearned portion of the advance payment.

CVT Financial Planning may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, CVT Financial Planning will refund any unearned portion of the advance payment.

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## Our Policy on Class Action Lawsuits

From time to time, securities held in the accounts of clients may be the subject of class action lawsuits. CVT Financial Planning has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, CVT Financial Planning has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

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## Item 5: Fees and Compensation

### Description

The fees for all services (except hourly projects) is based on total assets owned by the client. Assets include, but are not limited to, stocks, bonds, mutual funds, employee retirement plans, savings accounts, checking accounts, money market accounts, certificate of deposits, life insurance cash values, and real estate. Depending upon client circumstances, fees may occasionally be negotiable.

The fee schedule for the Financial Plan is as follows:

<i>Total Assets</i>	<i>Single Client</i>	<i>Couple Client</i>
Up to \$150,000	\$1,750	\$1,750
\$150,000 - \$450,000	\$1,750 + 0.25% over \$150,000	\$1,750 + 0.40% over \$150,000
\$450,000 - \$900,000	\$2,500 + 0.20% over \$450,000	\$2,950 + 0.30% over \$450,000
\$900,000 - \$1,500,000	\$3,400 + 0.20% over \$900,000	\$4,300 + 0.20% over \$900,000
\$1,500,000 and over	\$4,600 + 0.10% over \$1,500,000	\$5,500 + 0.15% over \$1,500,000

For clients who are principal(s) in a business, an additional \$400 fee for each business is added to the above schedules.

The fee schedule for the Retirement & Investment Plan is as follows:

<i>Total Assets</i>	<i>Single Client</i>	<i>Couple Client</i>
Up to \$150,000	\$1,100	\$1,100.00
\$150,000 - \$450,000	\$1,100 + 0.25% over \$150,000	\$1,100 + 0.40% over \$150,000
\$450,000 - \$900,000	\$1,850 + 0.20% over \$450,000	\$2,300 + 0.30% over \$450,000
\$900,000 - \$1,500,000	\$2,750 + 0.20% over \$900,000	\$3,650 + 0.20% over \$900,000
\$1,500,000 and over	\$3,950 + 0.10% over \$1,500,000	\$4,850 + 0.15% over \$1,500,000

The fee schedule for the Asset Management Retainer service is as follows:

<i>Total Assets</i>	<i>Annual Fee</i>
Less Than \$500,000	\$1,400.00
\$500,000 up to \$699,999	\$1,600
\$700,000 up to \$899,999	\$1,800
\$900,000 up to \$1,099,999	\$2,000
\$1,100,000 up to \$1,299,999	\$2,300
\$1,300,000 up to \$1,599,999	\$2,600
\$1,600,000 up to \$1,899,999	\$2,900
\$1,900,000 up to \$2,099,999	\$3,200
\$2,100,000 up to \$2,299,999	\$3,500
\$2,300,000 up to \$2,499,999	\$3,800
\$2,500,000 up to \$2,699,999	\$4,100
\$2,700,000 and over	\$4,100+0.1% over \$2.7M

The fee for the On-Going Management Service for Vermont residents is:

- 1.0% on the first \$250,000 of investable assets;
- 0.5% on the next \$750,000 (\$250,001 to \$1,000,000); and
- 0.3% on assets above \$1,000,000.

The fee for the Small Business Retirement Plan Investment Management Retainer is 1% of total investable assets with a minimum fee of \$1,200 per year. If appropriate, there may also be an initial account set-up fee with the fee based on the scope of the work required calculated at the hourly rate of \$175 per hour.

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### Fee Billing

Retainer fees are billed quarterly, in advance, meaning that we invoice you before the three-month billing period has begun. Payment in full is expected upon invoice presentation. Fees for financial plans and retirement & investment plans are billed 50% in advance with the balance due upon delivery of the plan. Project and hourly fees are due upon completion of the service. Larger projects are billed 50% in advance, with the balance due upon completion of the service.

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## Other Fees

Custodians may charge clients commissions and transaction fees on purchases or sales of certain mutual funds, exchange-traded funds and other securities. These transaction charges are usually small and incidental to the purchase or sale of a security. We generally advise clients to work with custodians who do not charge excessive fees.

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## Expense Ratios

Mutual funds and exchange traded funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to CVT Financial Planning.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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## Past Due Accounts and Termination of Agreement

CVT Financial Planning reserves the right to stop work on any account that is more than 120 days overdue. In addition, CVT Financial Planning reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in CVT Financial Planning's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 5 business days.

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## Compensation for Sale of Securities

No employee of CVT Financial Planning accepts compensation for the sale of securities or other investment products. Because we are a fee-only financial planning firm, the only compensation we receive is the fees paid directly by our clients.

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## Item 6: Performance-Based Fees

### Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

CVT Financial Planning does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows CVT Financial Planning to participate in the growth of the client's wealth. This also means that our fees can decline when the client's total assets declines in value.

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

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### Description

CVT Financial Planning generally provides investment advice to individuals. In addition, we also provide investment advice to trusts, estates, charitable organizations, small business retirement plans and small businesses. Client relationships vary in scope and length of service.

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### Account Minimums

CVT Financial Planning does not discriminate and is willing to consider working with any client no matter what the total value of their investments may be.

The minimum fee for a Financial Plan is \$1,750.

The minimum fee for a Retirement & Investment Plan is \$1,100.

The minimum fee for the Asset Management Retainer is \$1,400 per year.

The minimum fee for the Vermont On-Going Management Service is the lesser of \$1,200 per year or 2% of investable assets.

The minimum fee for a Small Business Retirement Plan Investment Management Retainer is \$1,200 per year.

The hourly fee is \$175 per hour.

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

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### Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that CVT Financial Planning may use include Morningstar Advisor Workstation mutual fund information, Morningstar Advisor stock information, Value Line stock information and the World Wide Web.

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### Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.



The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

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## Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9: Disciplinary Information**

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### Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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### Financial Industry Activities

CVT Financial Planning does not participate in any other industry business activities.

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### Affiliations

CVT Financial Planning does not have arrangements that are material to its advisory business or its clients with any related person. We may at times recommend unrelated, third party investment managers, insurance agents, accountants, attorney's and other professionals who have a greater expertise in certain disciplines when appropriate for the client. We do not receive any compensation for the recommendation or selection of these professionals.

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

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### Code of Ethics

The employees of CVT Financial Planning have committed to a Code of Ethics and Fiduciary Oath as outlined by the National Association of Personal Financial Advisors (NAPFA). The key points are: putting the clients' interest first, objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure and professionalism.

CFP® designees are also held to a Code of Ethics as outlined by the CFP® Board of Standards. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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### Personal Trading

CVT Financial Planning and its employees may at times buy or sell securities that are also held by clients. Employees comply with the provisions of CVT Financial Planning's Insider Trading Policy & Agreement Statement. In summary, this policy states that all employees will furnish CVT Financial Planning with copies of their investment statements to help ensure there is no violation of insider trading laws. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## **Item 12: Brokerage Practices**

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### **Selecting Brokerage Firms**

CVT Financial Planning does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. CVT Financial Planning recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

CVT Financial Planning recommends discount brokerage firms and trust companies (qualified custodians), such as Vanguard and Fidelity.

CVT Financial Planning does not receive fees or commissions from any of these arrangements. We may benefit from other services provided by custodians such as research, continuing education, and practice management advice. These benefits are standard in a relationship with these custodians and are not in return for client recommendations or transactions.

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### **Best Execution**

CVT Financial Planning periodically reviews the execution of trades. Trading fees charged by the custodians are also periodically reviewed. CVT Financial Planning does not receive any portion of the trading fees.

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### **Soft Dollars**

CVT Financial Planning does not receive soft dollar benefits from the custodians to whom we recommend clients.

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### **Brokerage Referrals**

CVT Financial Planning does not receive referrals from broker-dealers.

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### **Directed Brokerage**

CVT Financial Planning does not execute client trades. Clients have total control of their investments at all times.

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

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### **Periodic Reviews**

For all Asset Management Retainer clients, their Net Worth Statement is updated annually. An in-depth, written investment review is also completed at least annually by Cynthia Taradash.

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### Review Triggers

Other conditions that may trigger a review are upon the request of a client, market conditions, changes in a client's situation, changes in the tax laws, and new investment information.

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### Regular Reports

Clients receive investment statements directly from their brokerage company. Clients may establish CVT Financial Planning as an interested party on their accounts so that we may receive copies of client statements directly from the brokerage firms.

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

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### Incoming Referrals

CVT Financial Planning has been fortunate to receive many client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants and other similar sources. The firm does not pay for referrals. On occasion however, clients who have referred a number potential clients to CVT Financial Planning have received a small thank you gift.

CVT Financial Planning pays membership fees to the National Association of Personal Financial Advisors (NAPFA), the Certified Financial Planner Board of Standards, Inc. and the Financial Planning Association (FPA). These are fixed, annual fees and are not dependent upon the number of referrals received as a result of membership.

CVT Financial Planning has paid NAPFA a fee to have the CVT Financial Planning website linked to and listed on NAPFA's website. This is a onetime \$125 fee and is not dependent on the referrals received from this listing. This is only dependent on CVT Financial Planning's continued membership in NAPFA.

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### Referrals Out

CVT Financial Planning does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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## **Item 15: Custody**

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### Account Statements

All assets are held at qualified custodians. The custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to carefully review their statements.

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### Net Worth Statements

Clients are frequently provided net worth statements and net worth charts. Net worth statements contain data provided by the client. CVT Financial Planning is relying on the client to provide the most timely and accurate data possible. Where possible, real estate

and automobile values are obtained from reliable on-line internet sources such as city and town assessment records and independent valuation companies.

## **Item 16: Investment Discretion**

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### Discretionary Authority for Trading

CVT Financial Planning does not accept any discretionary authority to manage security accounts on behalf of clients as we feel it is important for clients to retain absolute control of their investments and allow clients to execute their own trades. We will discuss investment options with clients, help choose the appropriate securities for each client and guide them through the process of purchasing and selling securities.

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

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### Proxy Votes

CVT Financial Planning does not vote proxies on securities. Clients are expected to vote their own proxies.

Upon request, CVT Financial Planning will provide guidance to the client. If a conflict of interest exists, it will be disclosed to the client.

## **Item 18: Financial Information**

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### Financial Condition

CVT Financial Planning does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because CVT Financial Planning does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$500 per client & six months or more in advance.

## **Item 19: Requirements for State-Registered Advisors**

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### Executive Officers

Cynthia V. Taradash, MBA, CFP®, ChFC is the sole owner of CVT Financial Planning. Cindee graduated from the University of Rochester with a Bachelors of Science degree in Mechanical Engineering in 1985. She earned her Masters of Business Administration (MBA) degree from Northeastern University in 1992. She is a member of Beta Gamma Sigma as she graduated in the top 10% of her class. She earned her Certified Financial Planner (CFP®) designation in 2000 and her Chartered Financial Consultant (ChFC) designation in 2003.

Cindee is not actively engaged in any other business other than as a financial advisor.

Cynthia Taradash possesses no disciplinary history required to be disclosed by the U.S. Securities and Exchange Commission, the State of New Hampshire or the Commonwealth of Massachusetts.

The disciplinary history, if any, of investment advisors and their representatives may be obtained by calling the Massachusetts Securities Division at (617) 727-3548, the New

Hampshire Bureau of Securities Regulation at (603) 271-1463 and the Securities Division of the Vermont Department of Financial Regulation at (802) 828-3420.

## Information Security Program

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### Information Security

CVT Financial Planning maintains an information security program to reduce the risk that your personal and confidential information may be breached by encrypting computers and external hard drives and taking reasonable security precautions at all times.

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### Privacy Notice

CVT Financial Planning, an independent, fee-only financial planning firm, is committed to safeguarding the confidential information of its clients. We hold all personal information provided to our firm in the strictest confidence. These records include all personal information that we collect from you in connection with any of the services provided by CVT Financial Planning. As you know, we use financial and health information that you provide to us to help you meet your personal financial goals while guarding against any real or perceived infringements of your rights of privacy. Our policy with respect to personal information about you is listed below.

- The categories of nonpublic personal information that we collect from a client depend upon the scope of the client engagement. It will include information about your personal finances, information about transactions between you and third parties, information about your health to the extent that it is need for the planning process and/or insurance applications and possibly information from consumer reporting agencies.
- Where necessary, we may disclose nonpublic personal information that we receive from you such as your name, address, social security number, assets and income to third party financial services providers, such as brokerage firms, mutual fund companies, insurance agents, accountants and attorneys that you have or intent to have a business relationship with. In all such cases, we provide the third party with only the information necessary to carry out its assigned responsibilities and only for that purpose.
- We may also disclose nonpublic personal information about you to nonaffiliated third parties as permitted by law. [For example, disclosing information needed to process or service a financial product that a consumer requests or authorizes and disclosing firm records to federal and state regulators.] We do however, restrict access to nonpublic information about you to those individuals who need to know that information to provide products or services to you and perform their respective duties.
- We do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.
- We do not sell information about current or former clients to anyone.
- We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you.

- In addition to current clients, this same privacy policy applies to former and inactive clients as well.
- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.
- If you prefer that we not disclose nonpublic personal information about you to nonaffiliated third parties, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than disclosures necessary and permitted by law). If you wish to opt out of disclosures to nonaffiliated third parties, you may call CVT Financial Planning at (603) 837-2506.

## Brochure Supplement (Part 2B of Form ADV)

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### Item 1: Cover Page

## Brochure Supplement (Part 2B of Form ADV)

**Cynthia V. Taradash, MBA, CFP<sup>®</sup>, ChFC**



**P.O. Box 28  
Whitefield, NH 03598-0028  
(603) 837-2506  
www.cvtfinancial.com  
c.taradash@cvtfinancial.com**

This brochure supplement provides information about Cynthia V. Taradash, MBA, CFP<sup>®</sup>, ChFC that supplements the CVT Financial Planning brochure. You should have received a copy of that brochure. Please contact Cynthia Taradash if you did not receive CVT Financial Planning's brochure or if you have any questions about the contents of this supplement.

Additional information about Cynthia Taradash is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Cynthia Taradash's CRD number is 3074963.

**January 30, 2013**



## Item 2: Educational Background and Business Experience

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Cynthia V. Taradash

Date of Birth: June 25, 1963

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### Educational Background:

- Bachelor of Science in Mechanical Engineering degree from the University of Rochester, Rochester, NY, 1985
  - Master of Business Administration degree from Northeastern University, Boston, MA, 1992, Beta Gamma Sigma (top 10% of class)
  - Completed the Certified Financial Planner (CFP®) Professional Education Program at The American College, Bryn Mawr, PA, 2000
  - Completed the Chartered Financial Consultant (ChFC) Program at The American College, Bryn Mawr, PA, 2003
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### Business Experience:

- 1999 – Present: Fee-Only Financial Planner and Owner of CVT Financial Planning, Whitefield, NH
  - 1998 -1999: Fee-Only Financial Planner and Director of Client Services at Dorothy J. Cole, Merrimack, NH
  - 1997 – 1998: Financial Assistant at Creative Financial Strategies, a financial services company in Littleton, NH
  - 1997 and 1998 tax seasons: Tax Preparer at H&R Block, a tax preparation company in Littleton, NH
  - 1997: Financial Assistant at Kinsman Advisory Group, a financial services company in Easton, NH
  - 1995 – 1996: Manager at Norton Company, a manufacturing company in Littleton, NH
  - 1992 – 1993: Manager at Psion, Inc., a computer distribution company in Concord, MA
  - 1989 – 1991: Design Engineer at Benchmark Industries, Inc., a manufacturing company in Goffstown, NH
  - 1985 – 1989: Member of the Technical Staff at Hughes Aircraft Company, Radar Systems Group, a manufacturing company in El Segundo, CA
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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

**Certified Financial Planner (CFP®):** The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United

States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Chartered Financial Consultant (ChFC):** ChFC certification requirements:

- Completion of the financial planning education requirements set by The American College ([www.theamericancollege.edu](http://www.theamericancollege.edu))

- Three-year qualifying full-time work experience.
- Comply with The American College's Code of Ethics. Embodied in the Code is the following Professional Pledge and eight Canons.

"In all my professional relationships, I pledge myself to the following rule of ethical conduct: I shall, in light of all conditions surrounding those I serve, which I shall make every conscientious effort to ascertain and understand, render that service which, in the same circumstances, I would apply to myself."

The Canons:

- I. Conduct yourself at all times with honor and dignity.
- II. Avoid practices that would bring dishonor upon your profession or The American College.
- III. Publicize your achievements in ways that enhance the integrity of your profession.
- IV. Continue your studies throughout your working life so as to maintain a high level of professional competence.
- V. Do your utmost to attain a distinguished record of professional service.
- VI. Support the established institutions and organizations concerned with the integrity of your profession.
- VII. Participate in building your profession by encouraging and providing appropriate assistance to qualified persons pursuing professional studies.
- VIII. Comply with all laws and regulations, particularly as they relate to professional and business activities.

**NAPFA-Registered Financial Advisor®:** NAPFA-Registered Financial Advisor® is the top level of membership in the National Association of Personal Financial Advisors (NAPFA). All NAPFA-Registered Financial Advisors® must have three years of comprehensive financial planning experience and have a sample comprehensive financial plan pass a peer review process. NAPFA-Registered Financial Advisors® must possess a Bachelor's degree from an accredited institution. Currently new NAPFA-Registered Financial Advisors® must also possess either the Certified Financial Planner™ designation awarded by the Certified Financial Planner Board of Standards, Inc., or the American Institute of Certified Public Accountants' Personal Financial Specialist (CPA/PFS) credential. All NAPFA-Registered Financial Advisors® must also adhere to NAPFA's Fiduciary Oath, Standards of Membership and Affiliation, and Bylaws. NAPFA-Registered Financial Advisors® must also comply with NAPFA's industry-leading strict continuing education requirements of sixty hours every two years. All NAPFA-Registered Financial Advisors® provide investment and/or financial advice on a strictly Fee-Only basis as defined by NAPFA. These qualifications and requirements may not have been in place when membership was obtained.

### **Item 3: Disciplinary Information**

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#### **Criminal or Civil Actions**

Cynthia Taradash has not been involved in any criminal or civil actions. She is not currently named in any pending proceeding. She has not been found to have been involved in a violation of an investment-related statute or regulation. She has not been the subject of any order or judgment that would have limited her from engaging in any investment-related activity. She has not violated any investment-related statute, rule or order.

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#### **Administrative Proceedings**

Cynthia Taradash has never been found by the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority to have caused an investment-related business to lose its authorization to business.

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#### **Self-Regulatory Organization (SRO) Proceedings**

Cynthia Taradash has never been found by a self-regulatory organization to have caused an investment-related business to lose its authorization to do business.

### **Item 4: Other Business Activities**

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#### **Other Activities**

Cynthia Taradash is not actively engaged in any other business other than as owner and financial advisor of CVT Financial Planning.

### **Item 5: Additional Compensation**

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#### **Compensation**

Cynthia Taradash receives no additional compensation other than the fees paid by clients.

### **Item 6: Supervision**

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#### **Supervision**

As the sole employee of CVT Financial Planning, Cynthia Taradash is responsible for supervising herself.

### **Item 7: Requirements for State-Registered Advisors**

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#### **Arbitration Claims**

Cynthia Taradash has not been involved in any arbitration claims. Nor has she been involved in any civil, self-regulatory organization or administrative proceedings.

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#### **Bankruptcy Petition**

Cynthia Taradash has never been the subject of a bankruptcy petition.