



CREATIVE FUNDING CORP.  
699 Bloomfield Ave.  
P.O. Box 155  
Bloomfield, CT 06002



## **Creative Funding Corporation**

**Established 1985**

**Helping Customers Plan and Stay on Course with their Financial Goals**

### **Disclosure Brochure**

**(Part 2A of Form ADV)**

**699 Bloomfield Ave.  
Bloomfield, CT 06002**

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This brochure provides information about the qualifications and business practices of Creative Funding Corporation (CFC). If you have any questions about the contents of this brochure, please contact us at 844-854-8948, or 860-242-4483, or by email at [contact@advisorscfc.com](mailto:contact@advisorscfc.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 CFC is available on:

- SEC's Website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)
- FINRA Website at [www.finra.org](http://www.finra.org)
- FINRA BrokerCheck® Hotline is 1-800-289-9999



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## **Firm Brochure Updates:**

This brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

### **Annual Update:**

- On 8/31/2017 annual updated.

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

- On 6/1/2016 added the Business Continuity Plan summary and updated assets under management.
- 10/1/2014 Changed "800" number to 844-854-8948.
- As of 2/14/2014 Ric Dostie is no longer an Electricity Broker for North American Power. The "Brochure Supplement" was updated accordingly.
- The "Brochure Supplement" (2011) was updated to include Ricardo R Dostie Jr. registration<sup>1</sup> as an Investment Advisor representative and other updates requested by the state of Florida as part of our corporate registration process in Florida. The "Brochure Supplement" is below starting on page 17.

### **Brochure Availability:**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us at 844-854-8948 or by email at [contact@advisorscfc.com](mailto:contact@advisorscfc.com). Our Firm Brochure is also available at our web site: [www.creativefundingct.com](http://www.creativefundingct.com)

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<sup>1</sup> Registration does not imply a certain level of skill or training.



**Table of Content**

Advisory Business.....6  
     The CFC advisory service includes:.....6  
     Tailored Relationships:.....6  
     Types of Agreements: .....7  
Fees and Compensation:.....7  
     Asset Management Fee: .....7  
     Other Fees/Cost:.....7  
     Past Due Accounts and Termination of Agreement:.....8  
Performance-Based Fees: .....8  
     Sharing of Capital Gains: .....8  
Types of Clients:.....8  
Methods of Analysis, Investment Strategies and Risk of Loss .....8  
     Methods of Analysis:.....8  
     Investment Strategies: .....9  
     Choosing a Portfolio:.....9  
         a. Conservative .....9  
         b. Moderate .....9  
         c. Aggressive .....9  
     The CFC Model Portfolios .....9  
     Risk of Loss:.....10  
         Interest-rate Risk: .....10  
         Market Risk:.....10  
         Inflation Risk: .....10  
         Currency Risk: .....10  
         Reinvestment Risk:.....10  
         Business Risk: .....10  
         Liquidity Risk: .....10  
         Financial Risk: .....10  
Disciplinary Information .....11  
     Legal and Disciplinary: .....11  
Other Financial Industry Activities and Affiliations.....11  
     Financial Industry Activities:.....11  
     Affiliations: .....11  
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....11  
     Code of Ethics: .....11  
     Participation or Interest in Client Transactions: .....11  
     Personal Trading: .....11  
     CFC holds to the following principles: .....12  
Brokerage Practices.....12  
     Selecting Custodial Firms:.....12  
     Best Execution: .....13  
     Soft Dollars: .....13



Order Aggregation: ..... 13

Review of Accounts ..... 13

    Periodic Reviews:..... 13

Client Referrals and Other Compensation..... 14

    Incoming Referrals:..... 14

    Referrals Out:..... 14

Custody..... 14

    Account Statements:..... 14

Investment Discretion ..... 14

    Discretionary Authority for Trading: ..... 14

    Limited Power of Attorney:..... 15

Voting Client Securities ..... 15

    Proxy Votes: ..... 15

Financial Information..... 15

    Financial Condition:..... 15

Requirements For State-Registered Advisors..... 15

Business Continuity Plan (see Appendix A) ..... 15

    General: ..... 15

    Disasters: ..... 16

Information Security Program ..... 16

    Information Security: ..... 16

    Privacy Notice:..... 16

Brochure Supplement ..... 17

Educational Background and Business Experience: ..... 18

    Disciplinary Information: ..... 19

        Other Business Activities: ..... 19

    Additional Compensation: ..... 19

    Supervision: ..... 19

    Requirements For State-Registered Advisors:..... 19

Appendix A: Business Continuity Plan Summary..... 20

**I. Overview:** ..... 20

**II. Business Description:** ..... 20

**III. BCP Firm Policy:** ..... 21

**A. Significant Business Disruptions (SBDs):** ..... 21

**B. Approval and Execution Authority:** ..... 21

**IV. Contact Information:**..... 21

**A. Corporate office:**..... 21

**B. Our Custodian Bank (clearing firm):** ..... 21

**C. Alternate Locations:** ..... 21

**V. Data Back-Up and Recovery:**..... 22

**A. Operational Risk**..... 22

**B. Financial and Credit Risk:** ..... 22

**VII. Mission Critical Systems.** ..... 22

**VIII. Regulators** ..... 23



CREATIVE FUNDING CORP.  
699 Bloomfield Ave.  
P.O. Box 155  
Bloomfield, CT 06002



<b>IX. Critical Business Constituents, Banks, and Counter-Parties</b> .....	23
<b>A. Business constituents</b> .....	23
<b>B. Banks</b> .....	23
<b>C. Counter-Parties</b> .....	23
<b>X. Updates and Annual Review</b> .....	23
<b>XI. Senior Manager Approval</b> .....	23



CREATIVE FUNDING CORP.  
699 Bloomfield Ave.  
P.O. Box 155  
Bloomfield, CT 06002



## **Advisory Business**

Creative Funding Corporation (under the principal owner Steve Hyman) has been providing investment advisory services for 30 years to individuals, small businesses and charitable organizations. Creative Funding Corporation (CFC) manages portfolios on a discretionary basis for a fee, contracting with our clients for these services. As a registered investment advisor, CFC must comply with the Investment Advisors Act of 1940 and all the rules and regulations under applicable securities laws.

A large part of our business has been with employees of non-profit organizations (school teachers and charitable organizations) and referrals from those clients. Also, we have worked with a number of State of Connecticut employees and retirees, as an assigned agent, in helping them with their retirement and investment planning.

When advising our clients there are many factors taken into account including the management and performance records of the various investments as well as specific client risk-preferences and time-based objectives. We have also designed macroeconomic indicators over a 27 year period, which we use for our client allocation models. Our reason for being in business is to provide expert financial advice and management services to our clients.

As of August 23<sup>th</sup> 2017, CFC manages approximately 24.7 million in assets for approximately 280 clients. Approximately, 82.8% of assets under management are managed on a discretionary basis.

## **The CFC advisory service includes:**

- A. Consultation with Clients to help Clients decide upon a reasonable set of investment goals.
- B. Review of Client's current investment goals using expected risk and expected return.
- C. Assist the Client with preparation of an Investment Policy Statement.
- D. Assist the Client with portfolio allocation strategy and implementation of the Client's investment policy. This will include consolidating portfolios, selecting new investments, transferring assets to discount broker or no load mutual fund company.
- E. Provide the Client with ongoing periodic investment reports (i.e. market values, interest and dividends, asset allocation, maturity and expiration alerts, contributions, withdrawals and expenses, commissions, capital gains and losses).
- F. CFC encourages our clients to seek an investment policy review when major changes occur in their life, or simply when the investment policy needs to be changed based on changes in expected risk or return.

## **Tailored Relationships:**

Each investor has unique financial situations, investment time horizon, funding strategy, investment experience, tax status, risk tolerances, goals, and other life circumstances that dictate the constructed weightings of asset classes in their Model Portfolio. CFC will endeavor to survey each prospective client to determine their investment goal. This investment goal will be expressed in the Client's fact-finder and risk profile statement (or similar document). Also, client goals can be written in the client contract.

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. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.



CREATIVE FUNDING CORP.  
699 Bloomfield Ave.  
P.O. Box 155  
Bloomfield, CT 06002



Clients are also encouraged to use all available resources to educate themselves about investing in general, as well as the investments and portfolio composition recommended by CFC.

## **Types of Agreements:**

The following agreements define the typical client relationships.

- A. **Asset Management Agreement:**  
CFC executes an Asset Management Agreement with each client. This agreement allows CFC to provide the aforementioned professional advisory services. A copy of the Asset Management Agreement can be obtained by request from CFC.
- B. **Termination of Agreement:**  
The Asset Management Agreement shall remain in force until terminated by either party at any time by written notice to the other party.

## **Fees and Compensation:**

### **Asset Management Fee:**

The management fee is 1% of total assets annually. No fees are pre-paid. All fees are payable quarterly, semi-annually or annually in arrears and can be deducted from clients' accounts (via custodian bank) or billed.

All fees are billed pro rata, in arrears for the period covered, between the 1<sup>st</sup> and 15<sup>th</sup> of the month following the end of the previous calendar quarter. Fees are calculated on the quarter-end market value of the client's portfolio.

### **Other Fees/Cost:**

- 1) CFC, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).
- 2) Hourly fee charges are available as another option for fee payment- maximum of \$150 per hour per person. No pre-payment is required. The client can cancel the contract at any time.
- 3) It is further agreed by and between the parties that the client bears the cost of all securities purchased for the client as well as taxes (see 5 below), interest (if any), brokerage fees and commissions and custodian charges (if any).

**For example**, the custodian/clearing agent (Charles Schwab) for the investment management accounts imposes a fee for executing transactions and other custodial services in each client's account. These charges are not retail broker commissions, and no part of the transaction charge is paid to CFC. The fees and charges imposed by the clearing agent are in exchange for facilitating the execution of trades and for the custody of the assets in the client's account. In addition to transaction charges, the custodian may also impose various fees for transferring



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securities and for other services. The client bears responsibility for verifying the accuracy of fee calculations.

- 4) Mutual 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 CFC. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.
- 5) The client is responsible for any tax liabilities resulting from transactions (including any arising from the addition of assets to or withdrawal of assets from the client's account). Clients are urged to seek the advice of qualified tax professionals.

The investment advisor shall not be compensated on the basis of a share of capital gains or capital appreciation of the client's investment funds.

CFC reserves the right to provide its services to other types of clients such as participants in 401(k) plans and in other contexts. CFC also reserves the right to vary its fee structure for such other types of clients and in such other contexts.

### **Past Due Accounts and Termination of Agreement:**

If a CFC client account becomes delinquent with regard to management fees, CFC will follow the account termination process as defined in the asset management agreement.

### **Performance-Based Fees:**

#### **Sharing of Capital Gains:**

CFC **does not use** a performance-based fee schedule.

### **Types of Clients:**

- CFC generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.
- Client relationships vary in scope and length of service.
- We have no minimum account requirements.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

#### **Methods of Analysis:**

CFC has designed a system<sup>\*2</sup> of market indicators over a period of the last 27 years. This system<sup>\*2</sup> relies primarily on information supplied by the Federal Reserve Department. We also use fundamental analysis, reading research and other periodicals (i.e. quarterly, annual reports, SEC

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<sup>2</sup> "Past performance does not necessarily guarantee future returns".





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filings, etc.) regarding the investments. We consider important factors such as earnings history, debt, yield, growth rate, cash flow and management style of each company reviewed.

## **Investment Strategies:**

CFC employs a proactive hands-on approach to asset management. The practice of this style of asset management is based on the belief that no one can time the market, but more useful information makes our job more productive. The focus for the investor should be on their financial objectives, also how much the investor can risk losing and how long they are willing to keep money in the market.

CFC adheres to the following principles:

- Markets are not always efficient and for investing purposes assets can be purchased at below market value prices.
- Diversification in different asset classes, investment types, and sectors helps reduce risk in a portfolio.

CFC primarily uses no-load Mutual Funds, Closed End Funds, dividend yielding preferred and common stock (utilities and energy), corporate and government bonds as the core of all offered model portfolios. Sometimes we will also use Exchange Traded Funds, Business Development Companies, and Limited Partnerships.

## **Choosing a Portfolio:**

In setting their investment objectives, CFC recommends clients consider which of the following risk profiles is best suited to them:

- Conservative** – portfolios managed to achieve targeted reasonable return at a minimal risk of loss. It is more likely to be a distributing portfolio than an accumulating portfolio, but may be necessary for accumulators who face major job changes or other risks.
- Moderate** – portfolios managed to achieve growth at reasonable risk of loss. It could be the accumulating portfolio or one making modest distributions. It is best for people whose life circumstances make them somewhat cautious.
- Aggressive** – portfolios managed to achieve growth. It often has new money being added regularly or can be drawn from on a discretionary basis. It is designed to have an above average return but can face declines resulting in losses greater than its expected annual return.

Each investor has unique financial situations, investment time horizon, funding strategy, investment experience, tax status, risk tolerances, goals, and other life circumstances that dictate the constructed weightings of asset classes in their Model Portfolio. CFC will endeavor to survey each prospective client to determine their investment goal. This investment goal will be expressed in the Client's Investment Policy Statement. Once your investment objectives and guidelines are established, the appropriate CFC Model Portfolio may be selected.

**The CFC Model Portfolios** express investment objectives and risk as follows:

**Capital Preservation** – A capital preservation investment strategy reflects your desire to avoid risk and loss of principal. It may also mean you intend to invest over a short period of time.



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**Stable** – A stable investment strategy reflects your desire to see lower, more stable returns while avoiding high risk. It may also mean that you're planning to invest over a short period of time.

**Balanced** – A balanced investment strategy reflects your desire to seek the potential for growth. You're moderately tolerant of risk and plan to invest for a medium/long period of time.

**Growth** – A growth investment strategy reflects your desire to seek potential investment growth as well as your tolerance for market fluctuations and risk. You're probably planning to invest over a long period of time.

**Aggressive Growth** – An aggressive growth investment strategy reflects your desire for potentially substantial investment growth as well as your tolerance for large market fluctuations and increased risk of loss. You're probably planning on investing over a long period of time.

### **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. Also known as Systematic risk.

**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.



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## **Disciplinary Information**

### ***Legal and Disciplinary:***

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

## **Other Financial Industry Activities and Affiliations**

### ***Financial Industry Activities:***

Steve Hyman (Principal of CFC) is a registered insurance agent in Connecticut and Massachusetts.

### ***Affiliations:***

CFC has no arrangement (material to its investment advisory business) with any related person who is a:

- broker-dealer
- financial planning firm
- futures merchant
- lawyer or law firm
- an entity that creates or packages limited partnerships
- investment company
- commodity pool operator
- banking or thrift institution
- pension consultant
- other investment advisor
- commodity trading Advisor
- accountant or accounting firm
- real estate broker or dealer

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

### ***Code of Ethics:***

The employees of CFC have committed to a Code of Ethics. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

### ***Participation or Interest in Client Transactions:***

CFC will make securities transactions for its own accounts. This may cause a conflict of interest, since both Client and CFC may be selling (or buying) the same financial product at the same time. To address this potential conflict of interest, CFC agrees, to the extent within its control, *not* to favor itself to the Client's financial detriment. CFC agrees to keep complete records of all such securities transactions, as required by SEC *and/or* state regulation. Employees comply with the provisions of the CFC *Compliance Manual* regarding securities transactions.

### ***Personal Trading:***

CFC is in full compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. CFC monitors the personal securities transactions of all access persons. In addition, CFC has adopted a written Code of Ethics in compliance with SEC Rule 204A-1. This Code is based on the principle that the officers, directors, and employees (or persons having similar status or function) of CFC have a fiduciary duty to place the interests of the clients ahead of their own interests. The Code



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P.O. Box 155  
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applies to all access persons and focuses principally on monitoring and reporting of personal transactions in securities. Access persons must avoid activities, interests and relationships that might interfere with making decisions in the best interests of clients.

### ***CFC holds to the following principles:***

- We are fiduciaries. Our duty is at all times to place the interests of our clients first. Access persons must scrupulously avoid putting their own personal interests ahead of the interests of the clients. An access person may not induce or cause a client to take action, or not to take action, for personal benefit, rather than for the benefit of the client. For example, an access person would violate this Code by causing a client to purchase a security he or she owned for the purpose of increasing the price of that security.
- All personal securities transactions will be conducted in such a manner as to be consistent with the Code of Ethics and to avoid any actual or potential conflict of interest or any abuse of an access person's position of trust and responsibility.
- Access persons may not, for example, use their knowledge of portfolio transactions to profit by the market effect of such transactions.
- Independence in the investment decision-making process is paramount. The Chief Compliance Officer of the firm carries out all compliance-related mandates as set forth by the Code of Ethics. A copy of the firm's Code of Ethics is available upon request by all clients and prospective clients.

## **Brokerage Practices**

### ***Selecting Custodial Firms:***

CFC does not maintain custody of your assets that we manage; your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We use various companies as "qualified custodian," two examples are Charles Schwab & Co. and The Vanguard Group. We are independently owned and operated and are not affiliated with either company. Schwab will hold your assets in a brokerage account and buy and sell securities when we or you instruct them to. While we may require that you use one of these companies as custodian, you will decide whether to do so and will open your account with them by entering into an account agreement directly with them.

We seek to use a custodian who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment tools and technology, which CFC can utilize.



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P.O. Box 155  
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- Quality of services.
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices.
- Reputation, financial strength, and stability
- Prior service to us and our other clients

**CFC DOES NOT** receive fees or commissions from any of these arrangements.

### ***Best Execution:***

Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “Selecting Custodial Firms”). CFC has reviewed the execution of trades at Schwab, as well as the practices and procedures associated with best execution. We have determined that having Schwab execute all trades is consistent with our duty to seek “best execution” of your trades. CFC does not receive any portion of the trading fees.

### ***Soft Dollars:***

CFC receives no economic benefit from a non-client or client in connection with giving advice.

### ***Order Aggregation:***

Client orders executed by Schwab may be aggregated to achieve best execution. CFC does not specifically request that trades be aggregated. Most aggregated trades are stocks or bonds where trade aggregation may result in client’s benefit.

## **Review of Accounts**

### ***Periodic Reviews:***

CFC reconciles accounts daily from the custodial data feed. CFC conducts a systematic monthly portfolio review based on asset class proportions. Account reviews are performed by qualified CFC advisors.

### ***Review Triggers:***

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

### ***Regular Reports:***

CFC Clients receive periodic communications. Clients receive written quarterly updates. The written updates may include a portfolio statement, which reflects performance summary. In addition, Clients receive a quarterly asset management fee statement, specifying the arrears management fees for the previous quarter’s assets under management. CFC may at its discretion and as required by law, send other written communications to each Client.



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## **Client Referrals and Other Compensation**

### **Incoming Referrals:**

CFC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

### **Referrals Out:**

CFC does not accept referral fees or any form of compensation from other professionals when a prospect or client is referred to them.

## **Custody**

### **Account Statements:**

The custodian bank maintains actual custody of your assets. You will receive account statements directly from the qualified custodian bank. They will be sent to the email or postal mailing address you provided to the qualified custodian bank. You should carefully review those statements and promptly compare the qualified custodian bank account statements to the periodic account statements you will receive from us.

## **Investment Discretion**

### **Discretionary Authority for Trading:**

Except as otherwise instructed, the client grants CFC discretionary authority to execute its investment recommendations in accordance with the Investment Policy Statement or other suitable survey, without the client's prior approval of each specific transaction. Under this authority, the client allows CFC to purchase and sell securities and investment instruments in their accounts, arrange for delivery and payment in connection with the foregoing, and act on behalf of the client in most matters necessary or incidental to the handling of the account, including monitoring certain assets.

All transactions in the account shall be made in accordance with the directions and preferences provided to CFC by the client. Client will execute instructions regarding CFC's trading authority as required by each custodian. It is the client's responsibility to advise CFC of any changes in their investment goals. All clients are encouraged to review their objectives and account performance with CFC each year, either in person or by telephone.

CFC uses its best judgment and good faith efforts in rendering services to clients. CFC cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation made by CFC will be profitable. The client assumes all market risk involved in the investment of account assets under the Investment Advisory Agreement and understands that investment decisions made for this account are subject to various markets, currency, economic, political and business risks.

**Except as may otherwise be provided by law**, CFC will not be liable to clients for:

(a) Any loss the client may suffer by reason of any investment decision made or other action taken or omitted in good faith by CFC with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;



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P.O. Box 155  
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- (b) Any loss arising from CFC's adherence to a client's instructions; or
- (c) Any act or failure to act by a custodian of a client's account.

Nothing in this agreement shall relieve CFC from any responsibility or liability CFC may have under state or federal statutes. CFC shall have no liability to the client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount of such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer.

#### **Limited Power of Attorney:**

Our clients sign a limited power of attorney so CFC can instruct the qualified custodian (Schwab) to execute the trades associated with your Investment Policy Statement.

#### **Voting Client Securities**

##### **Proxy Votes:**

We are authorized by our clients to receive and vote on proxy, reorganizations, and other matters that arise with the companies held by our clients. In accordance with SEC regulations, we analyze and vote on these proxy issues and keep copies of the choices made which are available to our clients upon request. Our votes are made with management recommendations taken into consideration, yet our primary goal is to maximize our clients' shareholder value. Other factors taken into consideration are general corporate ethical standards and environmental concerns.

#### **Financial Information**

##### **Financial Condition:**

CFC 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 CFC does not serve as a qualified custodian for client funds or securities, and does not require prepayment of fees.

#### **Requirements For State-Registered Advisors**

CFC would be required to disclose additional information for Steve Hyman and Ric Dostie if either had ever been the subject of a bankruptcy petition or ever been found liable in either (a) an arbitration; or (b) a civil, self-regulatory organization, or administrative proceeding. As none of these applies to either Steve or Ric, Creative Funding Corporation has no information to disclose in this regard.

#### **Business Continuity Plan (see Appendix A)**

##### **General:**

CFC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.



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### **Disasters:**

The Business Continuity Plan covers natural and man-made disasters. CFC has taken reasonable precautions with respect to electronic data survival.

### **Information Security Program**

#### **Information Security:**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and building.

#### **Privacy Notice:**

CFC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. All financial companies need to share customer's personal information to run their everyday business. The types of personal information we collect and share depend on the product or service you have with us.

This information can include:

- Social Security number and your name and address
- Employment status and Investment objectives and experience
- Financial standing and Account balance and account transactions

We use this information to help you meet your personal financial goals. With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a network firewall barrier, secure data encryption techniques and authentication procedures in our computer environment. We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law. Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information will be destroyed. We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Notice to you annually, in writing.





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699 Bloomfield Ave.  
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Bloomfield, CT 06002



## **Creative Funding Corporation**

### **Brochure Supplement**

**(Part 2B of Form ADV)**

This brochure provides information about the qualifications and business practices of Creative Funding Corporation (CFC). If you have any questions about the contents of this brochure, please contact us at 844-854-8948, or 860-242-4483, or by email at [contact@advisorscfc.com](mailto:contact@advisorscfc.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 CFC is available on:

- SEC's Website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)
- FINRA Website at [www.finra.org](http://www.finra.org)
- FINRA BrokerCheck® Hotline is 1-800-289-9999



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## Educational Background and Business Experience:

Creative Funding Corporation (CFC) requires that advisors in its employ must have work experience that demonstrates their aptitude for financial planning and investment management. All advisors are registered with the SEC, having attained Registered Investment Advisor status via professional examination.

General standards of education or business experience required, at least, four years with a college degree (or equivalent).

### **Steven Eliot Hyman:**

Advisor and President of Creative Funding Corporation.  
Email address is [steve@advisorscfc.com](mailto:steve@advisorscfc.com)

#### Education:

Wesleyan University 1973-1980, B.A. - Economics, Middletown, CT  
University of Hartford, 1977-1978 Course in Investments, Finance, Accounting

#### Employment:

1985 to present. Creative Funding Corporation, 699 Bloomfield Ave. Bloomfield, CT 06002

#### Other Products and Services:

Life Insurance - offered as an independent agent through various insurance companies. These companies are chosen based on the needs of the client and a review of the quality of products offered as well as the expense and financial ratings of the company.

### **Ricardo R Dostie Jr.:**

Advisor and Vice-President of Creative Funding Corporation.  
Email address is [ric@advisorscfc.com](mailto:ric@advisorscfc.com)

#### Education:

Kaplan University 12/2011 Course for Series 65/66 Boston, MA  
American Financial Services courses in:  
World Financial Markets  
Derivatives  
Mortgage & Asset Backed Securities  
Securities Software Consulting course in:  
Investment, Trading & Systems  
University of Hartford (1982 – B.S. Biology (with 2yr Electronic Engineering))

#### Employment:

- 3/2010–Present, Creative Funding Corporation - Vice president and Investment Analyst
- 12/2007– 12/2009, CertiRestore of NW Hartford Cnty LLC - Operations/Business Manager
- 8/1998– 6/2005 United Health Group, Hartford, CT - Senior Application Engineer in Treasury department (Global development and production support)
- 2/1990 – 7/1998, CIGNA Investment Services - Senior Application Designer (Short term Trading desk)

#### Other Products and Services:

None.



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### ***Disciplinary Information:***

Neither Steve Hyman nor Ricardo Dostie have had any legal or disciplinary events in their past. Clients and prospective clients can view the CRD records (Central Registration Depository) for Creative Funding Co. (CRD #117439), Steve Hyman (CRD #714439), and Ricardo Dostie (CRD #5829835) through the Investment Advisor Public Disclosure (IAPD) website at:

- SEC's Website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)
- FINRA Website at [www.finra.org](http://www.finra.org)
- FINRA BrokerCheck® Hotline is 1-800-289-9999

### ***Other Business Activities:***

In addition to being investment Advisor representatives (IA Rep) of CFC, Steve Hyman is licensed as an independent insurance agent in Connecticut and Massachusetts. As IA Rep Steve Hyman may make recommendations on insurance products and may also, as an independent insurance agent, sell those recommended insurance products to advisory clients. When such recommendations or sales are made, a conflict of interest exists as Steve may earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. CFC requires that Steve disclose this conflict of interest when such recommendations are made. Also, CFC requires Steve to disclose that advisory clients may purchase recommended insurance products from other insurance agents not affiliated with Creative Funding Corporation.

### ***Additional Compensation:***

Aside from the sales commissions paid by insurance companies to Steve (see the "OTHER BUSINESS ACTIVITIES" section above), neither Steve nor Ric receive any additional compensation from non-clients for providing advisory services. All advisory compensation is paid by clients, directly.

### ***Supervision:***

As president of CFC, Steve Hyman is primarily responsible for supervision of its Investment Advisor Representatives (IA Rep) . As Steve is an IA Rep himself, his accounts are also reviewed by the vice president of CFC, Ric Dostie. Both Steve and Ric review all financial plan recommendations before the financial plan is complete. For portfolio management recommendations, Steve and/or Ric review all recommended transactions at the end of each day. Both Steve and Ric also review accounts as a whole each quarter in conjunction with the calculation of advisory fees. Advisory clients may contact either Steve E. Hyman or Ric Dostie directly (844-854-8948).

Ric Dostie supervises office personal (clerical/business manager).

### ***Requirements For State-Registered Advisors:***

CFC would be required to disclose additional information for Steve and Ric if either had ever been the subject of a bankruptcy petition or ever been found liable in either: (a) an arbitration; or (b) a civil, self-regulatory organization, or administrative proceeding. As none of these applies to either Steve or Ric, Creative Funding Corporation has no information to disclose in this regard.



## Appendix A: Business Continuity Plan Summary

### Business Continuity Plan Summary

#### Table of Contents

<b>I. Overview:</b>	20
<b>II. Business Description:</b>	20
<b>III. BCP Firm Policy:</b>	21
<b>A. Significant Business Disruptions (SBDs):</b>	21
<b>B. Approval and Execution Authority:</b>	21
<b>IV. Contact Information:</b>	21
<b>A. Corporate office:</b>	21
<b>B. Our Custodian Bank (clearing firm):</b>	21
<b>C. Alternate Locations:</b>	21
<b>V. Data Back-Up and Recovery:</b>	22
<b>A. Operational Risk:</b>	22
<b>B. Financial and Credit Risk:</b>	22
<b>VII. Mission Critical Systems:</b>	22
<b>VIII. Regulators:</b>	23
<b>IX. Critical Business Constituents, Banks, and Counter-Parties:</b>	23
<b>A. Business constituents:</b>	23
<b>B. Banks:</b>	23
<b>C. Counter-Parties:</b>	23
<b>X. Updates and Annual Review:</b>	23
<b>XI. Senior Manager Approval:</b>	<b>Error! Bookmark not defined.</b> 23

#### **I. Overview:**

This is an overview of Creative Funding Corporation’s Business Continuity Plan (BCP). Our firm will maintain a copy of the overview BCP plan on our WEB site: <http://www.creativefundingct.com/> and a detailed copy of the BCP plan in the office and at the BCP alternative site.

#### **II. Business Description:**

Creative Funding Corporation (CFC) manages portfolios on a discretionary basis for a fee, contracting with our clients for these services.

##### **The CFC advisory service includes:**

- A. Consultation with Clients to help Clients decide upon a set of investment goals.



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P.O. Box 155  
Bloomfield, CT 06002



- B. Review of Client's current investment goals using expected risk and expected return.
- C. Assist the Client with preparation of an Investment Policy.
- D. Assist the Client with portfolio allocation strategy and implementation of the Client's investment policy.
- E. Provide the Client with ongoing periodic investment reports (i.e. market values, interest and dividends, asset allocation, maturity and expiration alerts, contributions, withdrawals and expenses, commissions, capital gains and losses etc....).

### III. *BCP Firm Policy:*

Our firm's policy is to respond to a Significant Business Disruption by safe guarding employees' lives and firm property. We make financial and operational assessment and try to quickly recover and resume operations, protecting all of the firm's books and records, and allowing our clients to transact business. In the event that we determine we are unable to continue our business, we will assure clients prompt access to their funds and securities.

#### **A. Significant Business Disruptions (SBDs):**

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only our firm's ability to communicate and do business, such as a fire in our building. External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or a wide-scale regional disruption. Our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of our clearing firm Charles Schwab & Co., Inc.

#### **B. Approval and Execution Authority:**

Steve Hyman, the registered principal, is responsible for approving the plan and for conducting the required annual review. Both the president and vice president have the authority to execute the BCP.

### IV. **Contact Information:**

#### **A. Corporate office:**

699 Bloomfield Ave. Bloomfield, CT 06002  
Line1: 860-242-4483, Line2: 860-243-8819, and 844-854-8948  
[contact@advisorscfc.com](mailto:contact@advisorscfc.com)  
[steve@advisorscfc.com](mailto:steve@advisorscfc.com)

#### **B. Our Custodian Bank (clearing firm):**

Charles Schwab & Co. Inc.  
800-435-4000, 800-515-2157  
(Phones automatically route to offices in Colorado and Arizona when Florida isn't available.)  
Web link for client's [Schwab Alliance Login \(https://client.schwab.com\)](https://client.schwab.com)

#### **C. Alternate Locations:**

South Windsor, CT and/or Windsor, CT



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[contact@advisorsefc.com](mailto:contact@advisorsefc.com)

[steve@advisorsefc.com](mailto:steve@advisorsefc.com)

The office phones (Line1: 860-242-4483 and Line2: 860-243-8819) will be forward to backup cell phones. Client's access to their investments will continue with Steve at the alternative location or via the custodian bank's WEB site or by calling the custodian bank (WEB Link and phone numbers above).

## V. Data Back-Up and Recovery:

The CFC backs up its data daily. One backup is kept locally and the other at a remote location. If our primary site is inoperable we'll move operations to our alternate location. For the loss of data, we will either physically recover the data from local backup or from remote site.

## VI. Financial and Operational Assessments.

### A. Operational Risk

In the event of a SBD, we will immediately identify what means will permit us to communicate with our customers, employees, critical business constituents, critical banks, critical counter-parties and regulators. Although the effects of a SBD will determine the means of alternative communication, the communications option we will employ will include our alternate site, website, telephone, voice mail, email, etc. In addition, we will retrieve our key activity records as described in the section "*Data Back-Up and Recovery*".

### B. Financial and Credit Risk:

In the event of a SBD, we will determine the value and liquidity of our assets to evaluate our ability to continue to fund our operations and remain in capital compliance. We will contact our clearing firm, critical banks and investors to apprise them of our financial status. If we determine that we may be unable to meet our obligations to those counter-parties or otherwise continue to fund our operations, we will request additional financing from our bank or other credit sources to fulfill our obligations to our customers and clients. If we cannot remedy a capital deficiency, we will file appropriate notices with our regulators and immediately take appropriate steps.

## VII. Mission Critical Systems.

CFC's "mission critical systems" are those that ensure prompt and accurate processing of securities transactions, including order taking, order entry, order execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts and the delivery of funds and securities:

- CFC application
- Custodian Bank WEB application

Our clearing firm's contract provides that they will maintain a business continuity plan and the capacity to execute that plan.



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Bloomfield, CT 06002



## VIII. Regulators

We are currently members of FINRA and are also regulated by Connecticut Department of Banking, Florida Department of Financial Services, and Massachusetts Securities Division. We communicate with our regulators using telephone, email, fax, and U.S. mail. In the event of a SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party.

## IX. Critical Business Constituents, Banks, and Counter-Parties

### A. Business constituents

None

### B. Banks

Windsor Federal Savings

### C. Counter-Parties

Charles Schwab Inc.

## X. Updates and Annual Review

Our firm will update this plan whenever we have a material change to our operations, structure, business or location or to those of our clearing firm. In addition, our firm will review this BCP annually to modify it for any changes in our operations, structure, business or location or those of our clearing firm.

## XI. Senior Manager Approval

I have approved this Business Continuity Plan as reasonably designed to enable our firm to meet its obligations to customers in the event of a SBD.

Signed:

Hen E. Hymman

Title:

President

Date:

9-1-17