

# **Cereus Financial Advisors, LLC**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 8, 2019**

This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Cereus Financial Advisors, LLC (“Cereus” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (201) 848-6802 or by email at [info@cereusfinancial.com](mailto:info@cereusfinancial.com).

Cereus is a registered investment advisor located in the State of New Jersey. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through Cereus to assist you in determining whether to retain the Advisor.

Additional information about Cereus and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 279033.

**Cereus Financial Advisors, LLC**  
**795 Franklin Avenue, Suite 205 Building B, Franklin Lakes, NJ 07417**  
**Phone: (201) 848-6802**  
<http://www.cereusfinancial.com>

## **Item 2 – Material Changes**

---

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about Advisory Persons of Cereus.

Cereus believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. Cereus encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

There have been no material changes to this Disclosure Brochure since the last distribution to Clients.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Cereus.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 279033. You may also request a copy of this Disclosure Brochure at any time by contacting us at (201) 848-6802.

## Item 3 – Table of Contents

---

<b>Item 1 – Cover Page</b> .....	<b>1</b>
<b>Item 2 – Material Changes</b> .....	<b>2</b>
<b>Item 3 – Table of Contents</b> .....	<b>3</b>
<b>Item 4 – Advisory Services</b> .....	<b>4</b>
A. Firm Information .....	4
B. Advisory Services Offered .....	4
C. Client Account Management .....	7
D. Wrap Fee Programs .....	7
E. Assets Under Management .....	7
<b>Item 5 – Fees and Compensation</b> .....	<b>7</b>
A. Fees for Advisory Services .....	7
B. Fee Billing .....	8
C. Other Fees and Expenses .....	9
D. Advance Payment of Fees and Termination .....	9
E. Compensation for Sales of Securities .....	10
<b>Item 6 – Performance-Based Fees and Side-By-Side Management</b> .....	<b>10</b>
<b>Item 7 – Types of Clients</b> .....	<b>10</b>
<b>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</b> .....	<b>10</b>
A. Methods of Analysis .....	10
B. Risk of Loss .....	11
<b>Item 9 – Disciplinary Information</b> .....	<b>11</b>
<b>Item 10 – Other Financial Industry Activities and Affiliations</b> .....	<b>11</b>
<b>Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b> .....	<b>12</b>
A. Code of Ethics .....	12
B. Personal Trading with Material Interest .....	12
C. Personal Trading in Same Securities as Clients .....	12
D. Personal Trading at Same Time as Client .....	12
<b>Item 12 – Brokerage Practices</b> .....	<b>12</b>
A. Recommendation of Custodian[s] .....	12
B. Aggregating and Allocating Trades .....	13
A. Frequency of Reviews .....	13
B. Causes for Reviews .....	13
C. Review Reports .....	13
<b>Item 14 – Client Referrals and Other Compensation</b> .....	<b>14</b>
A. Compensation Received by Cereus .....	14
B. Client Referrals from Solicitors .....	14
<b>Item 15 – Custody</b> .....	<b>15</b>
<b>Item 16 – Investment Discretion</b> .....	<b>15</b>
<b>Item 17 – Voting Client Securities</b> .....	<b>15</b>
<b>Item 18 – Financial Information</b> .....	<b>15</b>
<b>Item 19 – Requirements for State Registered Advisors</b> .....	<b>15</b>
A. Educational Background and Business Experience of Principal Officer .....	15
B. Other Business Activities of Principal Officer .....	15
C. Performance Fee Calculations .....	16
D. Disciplinary Information .....	16
E. Material Relationships with Issuers of Securities .....	16
<b>Form ADV Part 2B – Brochure Supplements</b> .....	<b>17</b>
<b>Privacy Policy</b> .....	<b>23</b>
<b>Investor Protection Form</b> .....	<b>25</b>

## Item 4 – Advisory Services

---

### A. Firm Information

Cereus Financial Advisors, LLC (“Cereus” or the “Advisor”) is a registered investment advisor located in the State of New Jersey, which is organized as a Limited Liability Company (“LLC”) under the laws of the State of New Jersey. Cereus was founded in July 2015 and is owned and operated by David J. Haas (Principal). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Cereus.

### B. Advisory Services Offered

Cereus offers investment advisory services to individuals, high net worth individuals, and retirement plans (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Investment Management Services

Cereus provides discretionary and non-discretionary investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction in connection with its management services. Cereus works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. The Advisor may customize portfolio models for a limited number of Clients. These models are used to implement specific goals for these Clients where Cereus feels a customized model works better than the third-party models, which are usually used. Models are developed and reviewed using quantitative analysis and are generally passive in nature and rebalanced periodically. For taxable accounts, Cereus engages in active tax management to help mitigate the tax impact of investment gains and to take advantage of losses when possible. The Advisor believes that a diversified portfolio representing properly allocated asset classes is the best approach to attain long-term success. Further, tax managed investing is typically employed for taxable accounts.

*Internal Investment Management* - The Advisor will primarily construct investment portfolios through the selection of investment mandates provided by unaffiliated money managers, accessed through an investment management platform. Client investments may be in individual managed accounts and/or portfolios constructed with mutual funds and/or exchange-traded funds.

The Advisor will develop an asset allocation model and portfolio strategy for each Client and present the strategy to the Client for approval prior to implementation. While the Advisor generally does not accept discretion over the investment strategy, the unaffiliated money manager[s] will have investment discretion to implement their respective investment mandate[s]. The Advisor may retain legacy positions in taxable accounts to minimize the impact of taxes to the Client. In such instances, Cereus will seek to diversify and convert the portfolio over a period of time to minimize any tax burden.

Cereus’s investment strategies are primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. Cereus will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Cereus evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Cereus may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Cereus may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. Cereus may

---

#### Cereus Financial Advisors, LLC

795 Franklin Avenue, Suite 205 Building B, Franklin Lakes, NJ 07417

Phone: (201) 848-6802

<http://www.cereusfinancial.com>

recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

Cereus will provide investment advisory services and portfolio management services. At no time, will Cereus accept or maintain custody of a Client's funds or securities, except for authorized deduction of the Advisor's fees. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client investment advisory agreement.

*Use of Independent Managers* - Cereus may recommend that a Client utilize one or more unaffiliated investment managers or investment platforms (collectively "Independent Managers") for all or a portfolio of a Client's investment portfolio. In such instances, the Client will then enter into an advisory agreement with the Independent Manager[s] that defines the terms in which the Independent Manager[s] will provide investment management and related services. Cereus may also assist in the development of the initial policy recommendations and managing the ongoing Client relationship. Cereus will perform initial and ongoing oversight and due diligence over the selected Independent Manager[s] to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests. The Client, prior to entering into an agreement with unaffiliated money manager[s] or investment advisor[s], will be provided with the advisor's Form ADV 2A (or a brochure that makes the appropriate disclosures).

*Betterment Institutional Platform* - Cereus may recommend that certain Clients implement their investment portfolios through Betterment Institutional, a division of Betterment LLC (herein "Betterment Institutional" or the "Investment Platform"). Betterment Institutional is what is often termed a "robo-advisor", an online wealth management service that provides automated, algorithm-based portfolio management advice. Robo-advisors use technology to deliver similar services as traditional advisors, but generally only offer portfolio management and do not get involved in a Client's personal situation, such as taxes and retirement or estate planning. Cereus chose to affiliate with Betterment Institutional due to the Investment Platform's customized portfolio allocations, automated rebalancing, and competitive fees. Cereus utilizes Betterment Institutional as a complement to its comprehensive financial planning services to provide cost effective investing coupled with personalized financial planning.

To establish accounts with Betterment Institutional, the Client will also enter into one or more agreements with Betterment that provides the authority for discretionary investment management by the Investment Platform. Cereus remains the Client's primary advisor and relationship contact and will select or construct a portfolio of ETFs and/or cash equivalents from the universe of investments included on the Investment Platform.

Cereus will have the discretionary authority to instruct Betterment Institutional with respect to portfolio construction, asset allocation and other investment decisions, subject to the limitations described herein. Betterment Institutional will implement the portfolio and be responsible for the discretionary trading of the ETFs in the Client's portfolio, including the purchase and sale of investments and the automatic rebalancing back to targets.

Betterment Institutional utilizes between ten to twelve different ETF's, representing various asset classes for the construction of investment portfolios. As discussed above, Cereus will work with each Client to select/construct a portfolio to meet the needs of the Client. The Client has limited ability to put restrictions on its accounts. The account[s] cannot contain investments that are not included in the Betterment Institutional universe of ETFs and cash equivalents.

Betterment Institutional, under its discretionary authority, will automatically adjust and rebalance the Client's accounts daily based on the drift tolerance established for the positions in the investment portfolio. The Advisor's investment philosophy is long-term, but the Advisor may make such tactical overrides to take advantage of market pricing anomalies or strong market sectors. The Advisor does not actively trade in the Client's account[s] and is also limited to a enter one allocation change per account per trading day through Betterment Institutional, the Client should be aware of these potential disadvantages.

For its services, Betterment Institutional will charge an asset-based fee that is in addition to the Advisor's fee. Betterment Institutional's fee includes the securities transaction fees for all trades. The Advisor will only receive its investment advisory fees as detailed in Item 5.A. below and does not share in any fees earned by Betterment Institutional.

The Client, prior to entering into an agreement with the Investment Platform, will be provided with the Investment Platform's Form ADV Part 2A (or a brochure that makes the appropriate disclosures).

#### Financial Planning Services

Cereus will typically provide a variety of financial planning services to Clients, pursuant to the terms and scope of the financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the Client's financial goals and objectives. Planning may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. Cereus may also refer Clients to an accountant, attorney or another specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

#### Retirement Plan Advisory Services

Cereus provides retirement plan advisory services to company retirement plans (each a "Plan") and the Plan's responsible party for the Plan (the "Plan Sponsor"). Cereus provides its services to the Plan and Plan Sponsor on a non-discretionary basis (under ERISA Section 3(21)). Cereus may provide the following Plan fiduciary services pursuant to the terms of the Advisor's agreement with the Plan and Plan Sponsor:

- Vendor analysis
- Employee enrollment and education tracking
- Investment Policy Statement ("IPS") Design and Monitoring
- Investment monitoring
- Performance reporting
- Ongoing investment recommendations
- ERISA 404(c) assistance

Cereus may also provide non-fiduciary services:

- Investment education
- Periodic on-site advisor visits with staff for account updates and reviews
- Periodic Plan Participant group education opportunities

### C. Client Account Management

Prior to engaging Cereus to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – Cereus, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Asset Allocation – Cereus will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance of risk for each Client.
- Portfolio Construction – Cereus will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Cereus will provide investment management and ongoing oversight of the Client's investment portfolio.

### D. Wrap Fee Programs

Cereus does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Cereus.

### E. Assets Under Management

As of December 31, 2018, Cereus manages \$8,024,275 in discretionary assets and \$6,259,642 in non-discretionary assets totaling \$14,733,059 in assets under management. Clients may request more current information at any time by contacting the Advisor.

## Item 5 – Fees and Compensation

---

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign one or more agreements that detail the responsibilities of Cereus and the Client.

### A. Fees for Advisory Services

#### Investment Management Services

Investment advisory fees are paid quarterly, at the end of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of each calendar quarter. Investment advisory fees are based on the following schedule:

Assets Under Management	Annual Rate (%)
Up to \$250,000	1.00%
Next \$250,000 (Up to \$500,000)	0.95%
Next \$500,000 (Up to \$1,000,000)	0.90%
Next \$1,000,000 (Up to \$2,000,000)	0.85%
Next \$1,000,000 (Up to \$3,000,000)	0.80%
Next \$2,000,000 (Up to \$5,000,000)	0.75%
Over \$5,000,000	0.65%

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fee will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by Cereus will be independently valued by the Custodian. Cereus will not have the authority or responsibility to value portfolio securities.

#### Use of Independent Managers

For Clients referred to the Advisor by an unaffiliated investment advisor, the Client's fee may be separately billed or deducted from the Client's account[s] by the Independent Manager[s] or Investment Platform[s].

---

#### Cereus Financial Advisors, LLC

795 Franklin Avenue, Suite 205 Building B, Franklin Lakes, NJ 07417

Phone: (201) 848-6802

<http://www.cereusfinancial.com>

### Independent Manager and Custodial Fees

Cereus recommends and utilizes independent investment managers. While Cereus may use a number of different managers and custodial platforms, the primary managers are SEI and Betterment Institutional. Betterment Institutional is a so-called robo-advisor because the platform will automatically choose an investment allocation based on a questionnaire. Cereus always reviews this automatic allocation and suggests an override when appropriate, based on additional information the client has provided.

Independent Managers recommended and utilized by Cereus also charge fees for their custody platform and investment management. For ETF investment models and Separately Managed Accounts, these managers charge a platform fee which varied depending on the size and type of account. Mutual fund accounts at SEI utilize a fee built in to the mutual fund expense fee. These platform fees typically cover platform access, discretionary investment management, and securities transaction fees, but in certain cases where non-managed investments are bought or sold, a fee may be assessed per transaction.

The independent managers will calculate their fees along with Cereus's fee and deduct the overall fee from the Client's account[s].

### Financial Planning Services

Cereus offers financial planning services at an hourly rate of \$150 per hour or based on a fixed fee for the planning engagement. Fixed fee engagements are negotiated based on the expected number of hours to complete the engagement at the Advisor's hourly rate. Fees are negotiable depending on the nature and complexity of the Client's circumstances, the expected time to complete the engagement deliverable[s] and the overall relationship with the Advisor. An estimate for total hours and/or costs will be provided to the Client prior to engaging for planning services. The Advisor may also engage for planning services through a perpetual engagement. In such instances, fees are bill quarterly, in advance of each calendar quarter. In the second year of services, the Advisor will renew its ongoing services at fifty percent (50%) of the initial, first year fee. The Advisor may reduce its fees based on the size of the investment management account[s] and the overall relationship with the Advisor.

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

### Retirement Plan Advisory Services

Retirement plan advisory fees are typically paid quarterly, at the end of each calendar quarter, pursuant to the terms of the retirement plan advisory agreement. Retirement plan advisory fees are charged an annual rate of 1.00% of Plan assets or a fee negotiated with the client. Fees are based on the market value of assets in the plan on the last day of the prior calendar quarter. Fees are negotiable based on the size and complexity of the services provided to the Plan.

## **B. Fee Billing**

### Investment Management Services

Investment advisory fees are calculated by the Custodian according to a fee schedule provided by the Advisor and deducted from the Client's account[s] at the Custodian. The Advisor reviews the calculated fee and sends an invoice to the Client indicating the amount of the fees deducted from the Client's account[s] at the respective quarter-end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Cereus at the end of each calendar quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by Cereus directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

### Use of Independent Managers

For Clients referred to the Advisor by an unaffiliated investment advisor, the Client's fee will be deducted from the Client's account[s] with the respective manager and a portion of the investment advisory fee will be provided to Cereus.

### Financial Planning Services

Financial planning fees are invoiced up to fifty percent (50%) of the expected cost of the engagement upon execution of the financial planning agreement with the remaining balance due upon receipt of the agreed upon deliverable[s]. Ongoing planning engagements are billed quarterly, in advance of each calendar quarter at a rate of twenty five percent (25%) of the fixed annual rate.

### Retirement Plan Advisory Services

Fees may be deducted from the accounts of the Plan Participants or paid by the Plan Sponsor.

## **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Cereus, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian. The investment advisory fee charged by Cereus is separate and distinct from these custody and execution fees.

In addition, all fees paid to Cereus for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of Cereus, but would not receive the services provided by Cereus which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Cereus to fully understand the total fees to be paid.

## **D. Advance Payment of Fees and Termination**

### Investment Management Services

Cereus is compensated for its services at the end of the quarter, after investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be responsible for investment advisory fees up to and including the effective date of termination. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

### Use of Independent Managers

In the event that a Client should wish to terminate their relationship with the Investment Platform and any Independent Manager, the terms for termination will be set forth in the respective agreements between the Client and those third parties. Cereus will assist the Client with the termination and transition as appropriate.

### Financial Planning Services

The Advisor may require an advance payment of up to fifty percent (50%) of the expected cost of a financial planning engagement prior to commencing services. For ongoing planning engagements, the Advisor bills for its services in advance. Either party may also terminate a planning or consulting agreement at any time by providing written notice to the other party. In addition, the Client may terminate the agreement within five (5) business days of signing the Advisor's financial planning agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and

payable by the Client. Upon termination, the Advisor will refund any unearned, pre-paid fees to the Client. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

#### Retirement Plan Advisory Services

Cereus is compensated for its retirement plan advisory services at the end of the quarter, after advisory services are rendered. Either party may request to terminate their services with Cereus, at any time, by providing advance written notice to the other party. The Client shall be responsible for advisory fees up to and including the effective date of termination. The Client may also terminate the retirement agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client's retirement plan services agreement with the Advisor is non-transferable without the Client's prior consent.

#### **E. Compensation for Sales of Securities**

Cereus does not buy or sell securities and does not receive any compensation for securities transactions in any Client account[s], other than the investment advisory fees noted above.

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

---

Cereus does not charge performance-based fees for its investment advisory services. The fees charged by Cereus are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client. Cereus does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

#### **Item 7 – Types of Clients**

---

Cereus provides investment advisory services to individuals, high net worth individuals, and retirement plans. The amount of each type of Client is available on Cereus's Form ADV Part 1. These percentages will change over time and are updated at least annually by the Advisor. Cereus generally does not impose a minimum size for establishing a relationship.

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

---

##### **A. Methods of Analysis**

Cereus primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from Cereus is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

As noted above, Cereus generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Cereus will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Cereus may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Cereus will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client account[s]. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

Following are some of the risks associated with the Advisor's strategies:

### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs has a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

---

**There are no legal, regulatory or disciplinary events involving Cereus or any of its Supervised Persons.** Cereus values the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD #279033.

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

---

### Insurance Agency Affiliations

Mr. Haas is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from Mr. Haas' role with Cereus. As an insurance professional, Mr. Haas may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. Haas is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Haas or the Advisor.

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

---

### **A. Code of Ethics**

Cereus has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Cereus (our "Supervised Persons"). The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Cereus and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Cereus and its Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (201) 848-6802.

### **B. Personal Trading with Material Interest**

Cereus allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Cereus does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Cereus does not have a material interest in any securities traded in Client account[s].

### **C. Personal Trading in Same Securities as Clients**

Cereus allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, Supervised Persons of Cereus may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Cereus requiring reporting of personal securities trades pursuant to its Code of Ethics. We have also adopted written policies and procedures to detect the misuse of material, non-public information. In addition, the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

### **D. Personal Trading at Same Time as Client**

While Cereus and its Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. At no time, will Cereus, or any Supervised Person of Cereus, transact in any security to the detriment of any Client.

## **Item 12 – Brokerage Practices**

---

### **A. Recommendation of Custodian[s]**

Cereus does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/ custodian (herein the "Custodian") to safeguard Client assets and authorize Cereus to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, Cereus does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Cereus does not exercise discretion over the selection of the Custodian, Cereus will typically recommend the Custodian to Clients. Clients are not obligated to use the Custodian recommended by Cereus and will not incur any extra fee or cost associated with using a custodian not recommended by Cereus. However, Cereus may have limitations on the services it can provide if accounts are not at a custodian where Cereus maintains an institutional relationship. Cereus may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and/or its reputation. Cereus will generally recommend that Clients establish their account[s] at either SEI Private Trust Company ("SPTC"), a subsidiary of SEI Investments Company or MTG, LLC d/b/a Betterment Securities ("Betterment Securities"). SPTC or Betterment Securities will serve as the Client's "qualified custodian". Cereus

---

**Cereus Financial Advisors, LLC**

795 Franklin Avenue, Suite 205 Building B, Franklin Lakes, NJ 07417

Phone: (201) 848-6802

<http://www.cereusfinancial.com>

maintains institutional relationships with SPTC and Betterment Securities, whereby the Advisor receives certain benefits from SPTC and Betterment Securities (Please see Item 14 below.).

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. Cereus does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. As noted above, Cereus does receive certain benefits from SPTC and Betterment Securities Please see Item 14 below.

**2. Brokerage Referrals** - Cereus does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a “directed brokerage basis”, where Cereus will place trades within the established account[s] at the Custodian. Further, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). Cereus will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian. The Advisor will seek best execution, but does not do so on a trade-by-trade basis. The Advisor evaluates the execution quality of the Custodian as part of its annual review of service providers.

#### **B. Aggregating and Allocating Trades**

The Advisor generally does not aggregate Client orders with other Clients. However, Client accounts implemented with unaffiliated money managers will typically be traded in block trades with other investor accounts and allocated to the Client based on the unaffiliated money manager’s policies. Such policies are included in that manager’s Form ADV2A – Disclosure Brochure.

### **Item 13 – Review of Accounts**

---

#### **A. Frequency of Reviews**

Securities in a Client’s account[s] are monitored on a regular and continuous basis by Mr. Haas, Principal of Cereus. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

#### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client’s request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client’s financial situation, and/or large deposits or withdrawals in the Client’s account[s]. The Client is encouraged to notify Cereus if changes occur in the Client’s personal financial situation that might adversely affect the Client’s investment plan. Additional reviews may be triggered by material market, economic or political events.

#### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian’s website, so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client’s account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

---

### **A. Compensation Received by Cereus**

Cereus does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. Cereus may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Cereus may receive referrals of new Clients from a third-party.

#### Participation in Institutional Advisor Platform

Cereus has established an institutional relationship with SPTC to assist the Advisor in managing Client account[s]. Access to the SPTC Institutional platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at SPTC. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services. Additionally, the Advisor may receive the following benefits from SPTC: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

#### Betterment Institutional Platform

As noted in Item 12, the Advisor has also established an institutional relationship with Betterment Securities under an investment and advice platform Betterment Institutional. Betterment Institutional makes available various support services to help manage or administer Client account[s], Betterment Institutional support services are generally available on an unsolicited basis and come at no cost to the Advisor. The following is the benefits Betterment Institutional support services may provide:

*Investment Products* – Betterment Institutional includes access to a range of investment products, execution of securities transactions, basic account aggregation, planning tools and custody of client assets through Betterment Securities.

*Direct Benefits* – Betterment Institutional may provide Clients with online applications to project expected returns, plan for retirement, understand risk, access information related to transactions, and review prior performance.

*Indirect Benefits* – Betterment Institutional may provide the Advisor with benefits that may not directly benefit the Client. These products and Services assist the Advisor by providing technology to better manage and administer Client account[s]. This software and technology may:

- Assist with back-office functions, recordkeeping, and client reporting of Client account[s]
- Provide access to Client account[s] data (such as duplicate trade confirmation and account statements)
- Provide pricing and other market data
- Assist with back-office functions, recordkeeping, and client reporting

*Advisor Benefits* – The Advisor may be offered other services, which will help manage and further develop business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession.

### **B. Client Referrals from Solicitors**

Cereus does not engage paid solicitors for Client referrals.

---

## **Item 15 – Custody**

Cereus does not accept or maintain custody of any Client account[s], except for the authorized deduction of the Advisor's fee. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct Cereus to utilize the Custodian for the Client's security transactions. Cereus encourages Clients to review statements provided by the Custodian. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

---

## **Item 16 – Investment Discretion**

Cereus offers its investment advisory services on either a discretionary or non-discretionary basis. For discretionary accounts, Cereus will have the authority over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Cereus. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. For non-discretionary accounts, Cereus does not have the authority to trade securities in Client accounts without first obtaining approval by the Client.

---

## **Item 17 – Voting Client Securities**

Cereus does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

---

## **Item 18 – Financial Information**

Neither Cereus, nor its management, have any adverse financial situations that would reasonably impair the ability of Cereus to meet all obligations to its Clients. Neither Cereus, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. Cereus is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$500 or more for services to be performed six months or more in advance.

---

## **Item 19 – Requirements for State Registered Advisors**

### **A. Educational Background and Business Experience of Principal Officer**

The Principal of Cereus is David J. Haas. Information regarding the formal education and background of Mr. Haas is included in Item 2 of Form ADV Part 2B – Brochure Supplement below.

### **B. Other Business Activities of Principal Officer**

#### Insurance Agency Affiliations

Mr. Haas is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from Mr. Haas' role with Cereus. As an insurance professional, Mr. Haas may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. Haas is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Haas or the Advisor.

### **C. Performance Fee Calculations**

Cereus does not charge performance-based fees for its investment advisory services. The fees charged by Cereus are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

### **D. Disciplinary Information**

***There are no legal, civil or disciplinary events to disclose regarding Cereus or Mr. Haas.*** Neither Cereus nor Mr. Haas has ever been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Cereus or Mr. Haas.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Cereus or Mr. Haas.***

### **E. Material Relationships with Issuers of Securities**

Neither Cereus nor Mr. Haas have any relationships or arrangements with issuers of securities.

# Form ADV Part 2B – Brochure Supplement

for

**David J. Haas, CFP®**  
**Principal and Chief Compliance Officer**

**Effective: March 8, 2019**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of David J. Haas (CRD# **6185047**) in addition to the information contained in the Cereus Financial Advisors, LLC (“Cereus” or the “Advisor”) (CRD # 279033) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Cereus Disclosure Brochure or this Brochure Supplement, please contact us at (201) 848-6802 or by email at [info@cereusfinancial.com](mailto:info@cereusfinancial.com).

Additional information about Mr. Haas is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Educational Background and Business Experience

---

David J. Haas, born in 1960, is dedicated to advising Clients of Cereus in his role as the Principal and Chief Compliance Officer. Mr. Haas earned his Certificate in Financial Planning from Fairleigh Dickinson University in 2012. Mr. Haas earned a Masters in Business Administration from Pace University in 1987 and a Bachelor of Engineering in Electrical Engineering from Rensselaer Polytechnic Institute in 1982. Additional information regarding Mr. Haas' employment history is included below.

### Employment History:

Principal and Chief Compliance Officer, Cereus Financial Advisors, LLC	07/2015 to Present
Financial Advisor, Scipione Wealth Advisors, Inc.	02/2013 to 11/2015
Software Engineer V, Fujitsu Network Communications	08/2005 to 02/2013

### 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 71,000 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 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.

### Item 3 – Disciplinary Information

---

***There are no legal, civil or disciplinary events to disclose regarding Mr. Haas.*** Mr. Haas has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Haas.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Haas.***

However, we do encourage you to independently view the background of Mr. Haas on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 6185047.

### Item 4 – Other Business Activities

---

#### Insurance Agency Affiliations

Mr. Haas is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from Mr. Haas' role with Cereus. As an insurance professional, Mr. Haas may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. Mr. Haas is not required to offer the products of any particular insurance company. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Haas or the Advisor.

### Item 5 – Additional Compensation

---

Mr. Haas has additional business activities where compensation is received. These business activities are detailed above in Item 4 above.

### Item 6 – Supervision

---

Mr. Haas serves as the Principal and Chief Compliance Officer of Cereus. Mr. Haas can be reached at (201) 848-6802.

Cereus has implemented a Code of Ethics, an internal compliance document that guides each employee in meeting their fiduciary obligations to Clients of Cereus. Further, Cereus is subject to regulatory oversight by various agencies. These agencies require registration by Cereus and its employees. As a registered entity, Cereus is subject to examinations by regulators, which may be announced or unannounced. Cereus is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

### Item 7 – Requirements for State Registered Advisors

---

Mr. Haas does not have any additional information to disclose.

## **Form ADV Part 2B – Brochure Supplement**

**for**

**Michael T. Dunne, CFP®  
Financial Advisor**

**Effective: March 8, 2019**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Michael T. Dunne (CRD# 6928268) in addition to the information contained in the Cereus Financial Advisors, LLC (“Cereus” or the “Advisor”, CRD# 279033) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Cereus Disclosure Brochure or this Brochure Supplement, please contact us at (201) 848-6802 or by email at [info@cereusfinancial.com](mailto:info@cereusfinancial.com).

Additional information about Mr. Dunne is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 6928268.

## Item 2 – Educational Background and Business Experience

---

Michael T. Dunne, born in 1959, is dedicated to advising Clients of Cereus as a Financial Advisor. Mr. Dunne earned a Masters in Business Administration in Finance from New York University - Stern School of Business Administration in 1991. Mr. Dunne also earned a Bachelors in Business Administration in Accounting from Pace University in 1981. Additional information regarding Mr. Dunne's employment history is included below.

### Employment History:

Financial Advisor, Cereus Financial Advisors, LLC	03/2018 to Present
Managing Director - Credit and Banking, Paloma Partners Management Company	04/2001 to 04/2016

### 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 71,000 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 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.

### **Item 3 – Disciplinary Information**

---

***There are no legal, civil or disciplinary events to disclose regarding Mr. Dunne.*** Mr. Dunne has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Dunne.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Dunne.***

However, we do encourage you to independently view the background of Mr. Dunne on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 6928268.

### **Item 4 – Other Business Activities**

---

Mr. Dunne is a member of 2763 Properties LLC, which is involved in the rental of residential property. Mr. Dunne is not compensated in his role as a member of 2763 Properties LLC.

### **Item 5 – Additional Compensation**

---

Mr. Dunne is dedicated to the investment advisory activities of Cereus's Clients. Mr. Dunne does not receive any additional forms of compensation.

### **Item 6 – Supervision**

---

Mr. Dunne serves as the Financial Advisor of Cereus and is supervised by David Haas, the Chief Compliance Officer. Mr. Haas can be reached at (201) 848-6802.

Cereus has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of Cereus. Further, Cereus is subject to regulatory oversight by various agencies. These agencies require registration by Cereus and its Supervised Persons. As a registered entity, Cereus is subject to examinations by regulators, which may be announced or unannounced. Cereus is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

### **Item 7 – Requirements for State Registered Advisors**

---

Mr. Dunne does not have any additional information to disclose.

## Privacy Policy

---

Effective: March 8, 2019

### Our Commitment to You

Cereus Financial Advisors, LLC (“Cereus” or the “Advisor”) is committed to safeguarding the use of personal information of our Clients (also referred to as “you” and “your”) that we obtain as your Investment Advisor, as described here in our Privacy Policy (“Policy”).

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Cereus (also referred to as “we”, “our” and “us”) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Cereus does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors (“RIAs”) must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client’s personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> Cereus does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Cereus or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].	Yes	Yes
<b>Information About Former Clients</b> Cereus does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (201) 848-6802.

## **INVESTOR PROTECTION INFORMATION FORM**

---

### **Pursuant to N.J.A.C. 13:47A-2.14**

The New Jersey Bureau of Securities (“Bureau”), an arm of the Office of the New Jersey Attorney General, is charged with protecting investors from investment fraud, and regulating the securities industry in New Jersey. In addition to bringing investigative and enforcement actions against firms or individuals who violate the New Jersey Uniform Securities Law and regulations thereunder, the Bureau registers securities offered or sold in New Jersey and oversees the firms and individuals selling securities or providing investment advice to or from New Jersey.

Investors can contact the Bureau to research the professional background of current and former registered broker-dealers, investment advisers, agents, and investment adviser representatives. **To research a financial professional, contact the Bureau via phone at 1-866-I-Invest (within New Jersey) or at 973-504-3600 (both within and outside New Jersey) or via email at [njbos@ips.state.nj.us](mailto:njbos@ips.state.nj.us).**

Investors can also file complaints with the Bureau against individuals and firms selling securities or offering investment advice, as well as companies issuing securities investments directly.

**To file a complaint or learn more about the Bureau, visit the Bureau’s website at [www.NJSecurities.gov](http://www.NJSecurities.gov).**