

# **Cereus Financial Advisors, LLC**

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

**Effective: January 10, 2023**

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 content of this Disclosure Brochure, please contact the Advisor 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 the Advisor’s firm name or CRD# 279033.

## **Item 2 – Material Changes**

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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. For convenience, the Advisor has combined these documents into a single disclosure document.

Cereus believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you 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 the Advisor.

### Material Changes

There have been no material changes been to this Disclosure Brochure since the last annual amendment filing and distribution to clients

### Future Changes

From time to time, the Advisor will amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you 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 the Advisor's firm name or CRD# 279033. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at (201) 848-6802.

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## Item 4 – Advisory Services

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### A. Firm Information

Cereus Financial Advisors, LLC (“Cereus” or the “Advisor”) is a registered investment advisor located in the State of New Jersey. The Advisor is organized as a Limited Liability Company (“LLC”) under the laws 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. Cereus’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the 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 help achieve long-term success. Further, tax managed investing is typically employed for taxable accounts.

*Internal Investment Management* – When constructing portfolios for the limited number of Clients communicated above, 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 (“ETFs”).

The Advisor will develop for a limited number of Clients an asset allocation model and portfolio strategy and present the strategy to the Client for approval prior to implementation. 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 approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for 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 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.

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.

*Retirement Accounts* – When the Advisor provides investment advice to Clients regarding ERISA retirement accounts or individual retirement accounts (“IRAs”), the Advisor is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. When deemed to be in the Client's best interest, the Advisor will provide investment advice to a Client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g. commission-based account to fee-based account). Such a recommendation creates a conflict of interest if the Advisor will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by the Advisor.

*Use of Independent Managers* - Cereus will recommend that Clients utilize one or more unaffiliated investment managers or investment platforms (collectively “Independent Managers”) for all or a portion of a Client's investment portfolio, based on the Client's needs and objectives. The Advisor will perform initial and ongoing oversight and due diligence over each Independent Manager to ensure the strategy remains aligned with Clients investment objectives and overall best interests. The Advisor will also assist the Client in the development of the initial policy recommendations and managing the ongoing Client relationship. The Client will be provided with the Independent Manager's Form ADV Part 2A - Disclosure Brochure (or a brochure that makes the appropriate disclosures).

*Annuity Management* – Cereus may be engaged to manage annuities on behalf of the Client. The Advisor will implement, manage, and monitor these assets in accordance with the agreed upon investment objectives of the Client.

#### Financial Planning Services

Cereus will typically provide a variety of financial planning services to Clients, either as a component of investment management services or pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals and objectives.

Generally, such financial planning services will involve preparing a formal plan based on the Client's financial goals and objectives. Planning encompasses 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 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 refer clients to other allied professionals including CPA firms and estate attorneys. The Advisor's recommendation is based upon the Clients' situation and the Advisor's experience with the professional firms. There is a financial incentive for certain Advisory Persons to recommend professionals that refer clients to the Advisor and/or due to a familial relationships with Advisory Persons.

For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. Plans are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend the Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of 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.

#### College Planning Services / College Money Match

Cereus provides college planning services to Clients, pursuant to a written college planning agreement. College planning services are designed to help families collect the financial information needed to plan a budget to pay for college expenses. The Advisor will use this information to advise Clients which colleges may provide the most financial aid and might be the most appropriate financial match. These services are further described below:

- a. Coaching related to choosing a college based on a forecast of how much that college might cost for the client, preparation of a budget to pay for college, and evaluation of financial aid letters. Total coaching time of 120 minutes divided into 3 sessions (30 minutes, 45 minutes, and 45 minutes).
- b. Access to Advisor's college planning software portal which includes the ability to research colleges and forecast net cost for each college based on financial and academic information provided by Client. Access to software is provided from date of payment until July 1st of the year Client's child graduates from high school.
- c. Additional coaching time may be purchased by the client at \$200/hr and is also covered by this agreement.
- d. Client may purchase the Free Application for Federal Student Aid ("FAFSA") and the College Scholarship Service ("CSS") Profile form service. This is an additional service, where the Advisor fills out these forms for the Client's student, based on information which the Client provides. The Advisor is not responsible for inaccurate or incomplete information provided by the Client or for missed deadlines because the Client has not provided required information in a timely manner (at least 1 week prior to any deadline). The cost for this additional service is \$500.
- e. All services are on a per-student basis.

For these Advisory Services, it is expressly agreed by and between the parties that Client is free to follow, or disregard, in whole or in part, any recommendations, suggestions or advice made by the Advisor to the Client.

#### 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 provides the following Plan fiduciary services pursuant to the terms of the Advisor's agreement with the Plan and Plan Sponsor:

- Vendor analysis
- Ongoing Investment Monitoring, Recommendation and Assistance

Cereus also provides non-fiduciary services:

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

These services are provided by Cereus serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of Cereus's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

#### Private Investments

For its high-net worth Clients, Cereus may recommend when appropriate, investments in private investment vehicles, which invest in real estate, private equity or other investments. Assets in a private investment are invested in accordance with the respective investment's offering documents. Clients invested in a private investment should

consult the offering documents for information regarding its investment program, limitations on withdrawals, and risk factors. Please see Item 8 – Risk of Loss.

### 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 for 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, 2021, Cereus manages \$23,969,358 in discretionary assets and \$1,792,760 in non-discretionary assets totaling \$25,762,118 in assets under management. Clients may request more current information at any time by contacting the Advisor.

## Item 5 – Fees and Compensation

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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 management fees are paid quarterly, at the end of each calendar quarter, pursuant to the terms of the investment management agreement. Investment management fees are calculated using a slightly different method depending on which custodian the Clients’ assets are held.

MTG, LLC d/b/a Betterment Securities (“Betterment Securities”): Investment management fees are calculated daily based on the market value of assets under management at the end of each calendar day in the quarter. These daily fees are then summed and withdrawn from the account at the end of the fee period, which is typically the second to last business day in the quarter.

SEI Private Trust Company (“SPTC”), a subsidiary of SEI Investments Company: Investment management fees are calculated based on the market value of the assets under management on the last day of the calendar quarter and withdrawn from the account approximately six (6) days after the end of the quarter.

For all custodians, investment management fees are based on the following schedule:

Assets Under Management	Annual Rate (%)
First \$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%

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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 management 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 held at their respective custodian. All securities held in accounts managed by Cereus will be independently valued by the Custodian. The Advisor will conduct periodic reviews of the Custodian's valuations.

The investment advisory fees for annuity management services is annual fee of up to 0.50% based on the total value of the annuities managed by the Advisor.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

#### Use of Independent Managers

As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio utilizing one or more Independent Managers. Cereus primarily recommends SEI and Betterment Institutional to Clients. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager. The Advisor will only earn its investment advisory fee as described above. Independent Managers typically do not offer any fee discounts but may have a breakpoint schedule which will reduce the fee with an increased level of assets placed under management with an Independent Manager. The terms of such fee arrangements are included in the Independent Manager's disclosure brochure and applicable contract[s] with the Independent Manager. The total blended fee, including the Advisor's fee and the Independent Manager's fee, will not exceed 2.00% annually.

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 project-based financial planning services at an hourly rate of \$200 or based on a fixed fee per engagement. Fixed fee engagements are negotiated based on the expected number of hours to complete and complexity of the Clients financial circumstances. Fixed fees range from \$1,800 to \$4,800. Clients may elect to renew their financial planning agreement for a fixed fee ranging from \$900 to \$1,625. An estimate for total hours and/or costs will be provided to the Client prior to engaging for planning services.

Clients may also engage for planning services through a perpetual engagement. In such instances, fees are billed 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 also reduce its fees based on the size of the investment management account[s] and the overall relationship with the Advisor.

Clients that engage Cereus for investment management services will have their financial planning fees reduced if investing over \$250,000 and under \$1,000,000. The financial planning fee is waived for Clients with over \$1,000,000 invested with the Advisor.

#### College Planning Services / College Money Match

Cereus offers college planning services for a fixed fee of \$700. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor. Client's may request additional coaching sessions with the Advisor. Each coaching session is sixty minutes and costs \$200 per session. As described above, Clients may purchase the FAFSA and the CSS Profile form service. The cost for this additional service is \$500.

#### 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 at 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 as of 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 management 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 billing periods described above. 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 account[s] held by the Custodian as part of the investment management agreement and separate account forms provided by the Custodian.

### Use of Independent Managers

For Client accounts implemented through an Independent Manager, the Client's overall fees will include Cereus's investment advisory fee (as noted above) plus investment management fees and/or platform fees charged by the Independent Manager[s], as applicable. The Independent Manager or the Advisor will assume responsibility for calculating the Client's fees and deduct all fees from the Client's account[s].

### Financial Planning Services

Project-based 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 financial planning fees are billed quarterly, in advance of each calendar quarter at a rate equal to twenty five percent (25%) of the fixed annual rate.

### College Planning Services / College Money Match

College planning fees are invoiced \$700 for this service. \$500 is due upon execution of the college planning agreement and \$200 due on February 1<sup>st</sup> of the year the Client's student graduates from high school. Client's engaging the Advisor for an additional sixty minute coaching session are invoiced prior to or at the time of the coaching session in the amount of \$200 per hour. Client's electing to engage Cereus and the FAFSA/CSS Profile form filing services are invoiced in advance \$500 prior to the Advisor providing this service.

### 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.

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 varies depending on the size and type of account. Mutual fund accounts at SEI utilize a fee built into the mutual fund internal 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.

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

##### Investment Management Services

Cereus is compensated for its services at the end of the quarter, after investment management services are rendered. Either party may terminate the investment management agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment management 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 investment management 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

For project-based financial planning engagements, Cereus requires up to fifty percent (50%) of the expected costs upon execution of the financial planning agreement. For ongoing financial planning engagements, the Advisor is compensated for in advance of the quarter in which services are rendered. Either party may also terminate the financial planning agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the financial planning 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 of a project-based engagement, the Client shall be billed for actual hours logged on the planning project times the agreed upon hourly rate or the percentage of the project completed for fixed fee engagements. For ongoing planning engagements, fees are calculated up to and including the effective date of termination. The Advisor will refund any unearned, prepaid fees. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

##### College Planning Services / College Money Match

Cereus is compensated for its services both upon the execution of the college planning agreement and upon completion of the engagement deliverable[s]. Either party may terminate the college planning agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the college planning 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 fees charged for additional coaching and the FAFSA/CSS form filling service are collected in advance of providing these services. The Advisor will refund any unearned, prepaid financial planning fees, additional coaching session[s], and FAFSA/CSS form filling services from the effective date of termination. The Client's college 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 terminate the retirement plan advisory agreement, at any time, by providing advance written notice to the other party. The Client shall be responsible for retirement plan advisory fees up to and including the effective date of termination. The Client may also terminate the retirement plan advisory 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 advisory agreement with the Advisor is non-transferable without the Client's prior consent.

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

Cereus does not buy or sell securities and to earn commissions and does not receive any compensation for securities transactions in any Client account[s]. Cereus only receives the investment advisory fees noted above.

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

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Cereus does not charge performance-based fees for its investment advisory services. The fees charged by Cereus are as described in Item 5 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**

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Cereus offers 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 1A. 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**

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

Cereus employs fundamental analysis in developing investment strategies for its Clients. Research and analysis from Cereus are 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 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 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 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 investment approach:

#### 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 have 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.

#### Private Placements

If the Advisor recommends a private investment, there are additional risks to consider, which will be detailed in the respective private investment's offering documents. These include the risk that the investment strategy of a private investment may not be as specific to your needs as a separately managed account. Investors in a private investment will likely not have access to the same liquidity as in a separately managed account. Diversification of assets within a private investment will also not be comparable to a separately managed account. For a more complete discussion of risks associated with a private investment, Clients should thoroughly review the placement's offering documents.

**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 its owner.** Cereus values the trust you place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD #279033.

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

#### Insurance Agency Affiliations

Mr. Haas is also a licensed insurance professional. Implementation of insurance recommendations are separate and apart from Mr. Haas's role with Cereus. As an insurance professional, Mr. Haas will 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 creates 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.

#### Use of Independent Managers

As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio with one or more Independent Managers. The Advisor does not receive any compensation, nor does this present a material conflict of interest. The Advisor will only earn its investment advisory fee as described in Item 5.A.

## College Planning

As noted in Item 4, the Advisor offers college planning services to its clients. The Advisor does not receive any compensation from the U.S. Department of Education or the College Board, nor does this present a material conflict of interest. The Advisor will only earn its fee for college planning as described in Item 5.A.

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

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

Cereus has implemented a Code of Ethics that defines the Advisor's fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Cereus ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to 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 covers a range of topics that address ethics and conflicts of interest. To request a copy of the Code of Ethics, please contact the Advisor at (201) 848-6802.

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

Cereus allows 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 Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, must be disclosed to Client's and mitigated through policies and procedures. As noted above, the Advisor has adopted a Code, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can 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 trading pursuant to its Code. The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information. In addition, the Code governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code, and records retention requirements for various aspects of the Code.

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

While Cereus allows 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**

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### **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 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 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 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, designated by the Client. 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. These costs are determined by the Custodian.

## **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 be traded in block trades based on the Independent Managers internal policies and procedures 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**

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

Securities in a Client’s accounts 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**

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### **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 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 will 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 are 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 tools 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 monitor 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**

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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**

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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 will 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. Client accounts implemented with unaffiliated money managers will be traded with investment discretion, meaning that the unaffiliated money manager will have the discretion over the selection and amount of securities to be bought or sold in Client account[s] without obtaining prior consent or approval from the Client. The Advisor will assist the Client with implementing any reasonable restrictions on the Client's account[s], subject to the acceptance by the unaffiliated money manager[s].

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

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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**

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Neither Cereus, nor Mr. Haas, 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**

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### **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 his 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. Implementation of insurance recommendations are separate and apart from Mr. Haas's role with Cereus. As an insurance professional, Mr. Haas will 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 creates 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 have 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: January 10, 2023**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of David J. Haas, CFP®, (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 the Advisor 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) by searching with his full name or Individual CRD# 6185047.

**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 – Educational Background and Business Experience

David J. Haas, CFP®, 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 88,000 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**

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***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 Individual CRD# 6185047.

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

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#### Insurance Agency Affiliations

Mr. Haas is also a licensed insurance professional. Implementation of insurance recommendations are separate and apart from Mr. Haas' role with Cereus. As an insurance professional, Mr. Haas will 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 creates 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.

#### Financial Planning Association of New Jersey

Mr. Haas also serves as Education Director and President-Elect for Financial Planning Association of New Jersey. In this role Mr. Haas leads the Education Committee which presents educational events for FPA members. Mr. Haas is also part of executive committee with budgetary oversight and serves as a Board Member. Mr. Haas spends approximately 20 hours per month in this capacity.

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

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

### **Item 6 – Supervision**

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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**

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#### **A. Arbitrations and Regulatory Proceedings**

State regulations require disclosure if any Supervised Person of the Advisor is subject to:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - a. an investment or an investment-related business or activity;
  - b. fraud, false statement[s], or omissions;

- c. theft, embezzlement, or other wrongful taking of property;
  - d. bribery, forgery, counterfeiting, or extortion; or
  - e. dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
- a. an investment or an investment-related business or activity;
  - b. fraud, false statement[s], or omissions;
  - c. theft, embezzlement, or other wrongful taking of property;
  - d. bribery, forgery, counterfeiting, or extortion; or
  - e. dishonest, unfair, or unethical practices.

Mr. Haas does not have any disclosures to make regarding this Item.

**B. Bankruptcy**

If a Supervised Person has been the subject of a bankruptcy petition, that fact and the details must be disclosed.

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

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

**for**

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

**Effective: January 10, 2023**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Michael T. Dunne, CFP®, (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 the Advisor 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 Individual CRD# 6928268.

**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 – Educational Background and Business Experience

Michael T. Dunne, CFP®, 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 88,000 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**

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**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 Individual CRD# 6928268.

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

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Mr. Dunne is dedicated to the investment advisory activities of Cereus' Clients. Mr. Dunne does not have any other business activities.

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

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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**

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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**

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#### **A. Arbitrations and Regulatory Proceedings**

State regulations require disclosure if any Supervised Person of the Advisor is subject to:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - a. an investment or an investment-related business or activity;
  - b. fraud, false statement[s], or omissions;
  - c. theft, embezzlement, or other wrongful taking of property;
  - d. bribery, forgery, counterfeiting, or extortion; or
  - e. dishonest, unfair, or unethical practices.
  
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - a. an investment or an investment-related business or activity;
  - b. fraud, false statement[s], or omissions;
  - c. theft, embezzlement, or other wrongful taking of property;
  - d. bribery, forgery, counterfeiting, or extortion; or
  - e. dishonest, unfair, or unethical practices.



Mr. Dunne does not have any disclosures to make regarding this Item.

**B. Bankruptcy**

If a Supervised Person has been the subject of a bankruptcy petition, that fact and the details must be disclosed.

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

## Privacy Policy

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Effective: January 10, 2023

### 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.

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

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**

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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@lps.state.nj.us](mailto:njbos@lps.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).**