



CAPITAL INVESTMENT  
MANAGEMENT

**CIM Financial Group, Inc.**

**7627 196<sup>th</sup> St SW  
Lynnwood, WA 98036  
(425) 672-7875**

**[www.capitalim.com](http://www.capitalim.com)**

FORM ADV PART 2  
BROCHURE

August 17, 2020

This brochure provides information about the qualifications and business practices of CIM Financial Group, Inc. We do business as Capital Investment Management which is our registered trade name. If you have any questions about the contents of this brochure, please contact us at (425)672-7875 and/or email us at [info@capitalim.com](mailto:info@capitalim.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Capital Investment Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

CIM Financial Group, Inc. (CIM) is a Washington State Registered Investment Adviser. This registration does not imply a certain level of skill or training.

## Table of Contents

IARD/CRD No: 119481  
3/12/2020  
Form ADV Part 2A, Item 3

<u>Item</u>	<u>Page</u>
Advisory Business .....	3
Fees and Compensation .....	4
Performance-Based Fees and Side-By-Side Management .....	6
Types of Clients.....	6
Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Disciplinary Information .....	11
Other Financial Industry Activities and Affiliations .....	11
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	11
Brokerage Practices .....	12
Review of Accounts .....	13
Client Referrals and Other Compensation.....	13
Custody .....	13
Investment Discretion .....	14
Voting Client Securities.....	14
Financial Information.....	14
Requirements for State-Registered Advisers .....	15

## Advisory Business

Form ADV Part 2A, Item 4

We are a registered investment adviser based in Lynnwood, WA. We are organized as an S corporation under the laws of the State of Washington. We offer continuous investment advice to our clients and prospective clients regarding the retention, disposition, and acquisition of securities and cash or cash equivalents. For those desiring a bigger picture approach we offer a financial planning service. Jeffrey T. Martin, ChFC®, CMFC is our President and owner. Jeffrey began his investment career with Waddell & Reed in 1995 and founded CIM Financial Group, Inc. in 2002. As of March 10, 2020 our assets under management were \$11,629,304 all of which is managed on a discretionary basis except for \$648,377 which is managed on a non-discretionary basis.

### **Financial Planning**

We offer a Financial Planning service primarily directed towards helping our clients to prepare for, and manage, their retirement years. Our planning is *'goals based'* in that we prioritize expense goals such as travel, home(s), family, vehicles, health care, basic retirement living expenses, and other goals important to the client. We then analyze the size and allocation of financial resources available such as investment accounts, bank accounts, retirement accounts, real estate, pensions, and social security. Taking taxes and inflation into consideration, the plan will then graphically display the likelihood that the financial resources will meet the expense needs for the rest of the client's life under a number of stress tested scenarios and risk profiles. If the likelihood of success is low or the risk is high, then a number of potential alternative solutions will be suggested.

### **Investment Management**

If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, specific goals, and account expectations. These objectives, goals, and expectations will relate to the following issues:

1. The time horizon.
2. The desired or expected rate of return.
3. The amount of volatility and risk that can be tolerated.
4. The amount, timing, and method of account distributions.
5. The types of securities to be held.

Information from our discussions along with the completion of an Asset Management Profile Form (Exhibit A) is used to develop and manage a portfolio of investments that are suitable for you and appropriate for your account(s).

## **Investment Strategies**

We offer several investment strategies that we believe are suitable to meet the needs and goals of most long-term investors. We list them here in the order of most aggressive to most conservative.

1. Focused Strategy
2. Growth Strategy
3. Strategic Rising Dividend Strategy
4. Moderate Strategy
5. Conservative Strategy

These strategies are described in more detail in Item 8 Investment Strategies.

## **Investment Categories**

Investments selected for your account(s) will fall into one or more of the following categories:

1. Cash
2. Currencies
3. Stocks
4. Bonds
5. Bear Market
6. Alternative Strategies
7. Precious Metals

Each of these investment categories may include individual stocks, preferred stocks, bonds, mutual funds, exchange traded funds, and other types of securities. See Item 8 for more details on our investment philosophy, investment strategies, and method of analysis for each investment category.

For some clients, it may be suitable for an account to be placed with a Separate Account Manager that specializes in a particular style or strategy that the client desires.

## **Fees and Compensation**

Form ADV Part 2A, Item 5

### **Financial Planning**

The cost of a basic Retirement Plan is \$1,500. This is based on an estimate of 10 hours of planning time. The planning process will consist of a number of client meetings as well as advisor planning time to prepare the financial plan. More advanced planning is billed at an additional \$150/hour after the 10 hour minimum has been met. A deposit of \$500 is required with the balance due upon completion of the plan. For advanced plans, additional hours will be billed at the end of each month that hours were expended. The Financial Planning service requires the signing of a separate Financial Planning Agreement. Any subsequent financial planning after the initial plan is completed will be billed at the hourly rate set forth above. Financial Planning fees are negotiable and under certain conditions

may be partially or fully waived for clients participating in our Investment Management service.

### **Investment Management**

Our annual asset management fees are based upon assets under management as follows:

Assets Under Management		Annual Rate
\$0	to \$100,000	2.00%
\$100,001	to \$250,000	1.75%
\$250,001	to \$500,000	1.50%
\$500,001	to \$750,000	1.25%
\$750,001	to \$1,000,000	1.00%
\$1,000,001	and above	0.85%

This is the general fee schedule; the fees applicable to your account are negotiable and shown in your Investment Management Service Agreement. CIM may waive or provide reduced fees for its employees, their immediate household accounts (spouses and children), and Investment Adviser Representatives.

Portfolios will be valued on the last day of the calendar quarter. Portfolios with inception dates prior to October 1, 2002 are billed quarterly in arrears. Portfolios with inception dates after October 1, 2002 are billed quarterly in advance.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. With direct debiting, we will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. The written invoice will include the fee, the formula used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based. The investment adviser will send these to the client concurrent with the request for payment or payment of the adviser's advisory fees. Further, the qualified custodian will deliver an account statement to you monthly. These account statements will show all disbursements from your account. Although we will receive a duplicate copy of your account statements, we encourage you to review all statements received from the qualified custodian for accuracy. In cases where the advisory agreement does not span the full billing period fees are prorated from the date of inception and billed to the client, or fees are prorated through the date of termination and refunded to the client. The Adviser or Client may terminate the investment advisory agreement at any time with written notice to the adviser at the main office address given on page one of this document.

A 'Marketplace' of Separate Account Money Managers is available through Charles Schwab that may be chosen by the client or by CIM on behalf of the client. The Marketplace Money Managers provide a schedule of fees to be directly billed to client accounts. Prior to establishing the account, CIM will disclose these fees to clients for their approval. For Marketplace accounts, clients will be provided the option to have Schwab transaction and maintenance fees deducted as a percentage of assets or as a per transaction fee. Charles Schwab transaction and maintenance fees and Separate Account Manager fees are in addition to CIM investment management fees.

As part of our investment advisory services provided to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker/dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

## Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the Fees and Compensation section.

## Types of Clients

Form ADV Part 2A, Item 7

Our clients are generally individuals that fall in to one or more of three categories:

1. They want to outsource the day to day management of their security brokerage accounts on a fee basis.
2. They want to formally set financial goals and seriously plan for their retirement on an hourly basis.
3. They want to save regularly, pay cash for most large expenditures, and be debt-free.

We offer investment advisory services and financial planning services to individuals who are retired, approaching retirement, or desire to seriously prepare for retirement. We generally require that new clients have \$100,000 in total assets to manage, though we will accept new clients with \$50,000 for our Focused and Strategic Rising Dividend strategies. In certain circumstances, and at our discretion, this minimum asset requirement may be waived.

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

Form ADV Part 2A, Item 8

### **Investment Philosophy**

We are value investors. By this we mean that we place an intrinsic value on securities and then seek to purchase them when they are being offered at a substantial discount to their intrinsic value. We acknowledge that given enough time markets are efficient as to the proper pricing of securities. It has been our experience however, that over shorter

periods of time markets can be grossly inefficient due to the human emotions of fear and greed. It is during these time periods that excellent securities can be bought and sold at very attractive prices. We strive to take advantage of these opportunities and obtain outstanding value for our clients.

Our investment strategies employ one or more of the following categories of investments: Cash, Currencies, Stocks, Bonds, Bear Market, Alternative Strategies, and Precious Metals. Our quarterly statements categorize holdings under these headings.

## **Method of Analysis**

### *Cash*

Cash investments are used to provide short-term reserves to meet client income and distribution needs, and as a source of funds to purchase other investments as opportunities arise. If undervalued stock and/or bond investments are not available, or the risk of deflation is material in our view, then Cash Investments may be elevated for a period of time. Cash equivalents may include money market funds, FDIC insured bank deposit accounts, CD's, Treasury Bills, and other cash investments. Cash investments generally pay a fixed rate of interest and the principal does not fluctuate. When considering cash investments an analysis is made of the yield, maturity date, type of security, guarantees, and a review of prospectus information.

### *Currencies*

Rising debt levels in the United States along with large gains in the U.S. dollar may increase the risk of a U.S. dollar devaluation or correction at times. We may use Currency investments to diversify some of our cash into currencies of other nations. Mutual funds are the most common type of security used in this category. An analysis is made using information from Morningstar as well and data provided from the mutual fund company. Factors such as management experience, performance track record, risk adjusted returns, and portfolio construction are considered among others.

### *Stocks*

We invest for long-term growth of capital primarily by investing in common stock. We view stock investing as taking part ownership in a business rather than trading stocks. We seek to buy shares of companies for clients that in our view possess qualities that will allow them to grow their revenue and earnings for many years. Due to this frame of mind our desired holding period is very long-term. These companies will usually possess a durable competitive advantage that provides high barriers to entry for competitors and allows them to maintain a large and stable market share, high profit margins, and strong returns on invested capital. We seek to purchase shares in these companies when they are reasonably priced or undervalued according to our estimate of their intrinsic value. Purchasing shares below intrinsic value provides a margin of safety should our estimate of the true value of the company be high, or should the overall stock market or economy turn down. Our method of analysis is fundamental in nature and will include both quantitative and qualitative assessments. A company's annual report, SEC filings, Morningstar, and others are common sources of company financial statements and other related information used in our fundamental analysis. Investment ideas come from a variety of sources such as The Wall Street Journal, Morningstar, other investment managers, and from the products and services that we use in everyday living. Even with a margin of safety, common stock investing involves significant risk of loss. Stock investments can rapidly decline by 50% or

more at times. During volatile times it is vital to maintain a long-term perspective. If our thesis and outlook for the company has not changed we will hold our shares and may add to our position. If we determine that we were wrong in our assessment of the company's qualities and future prospects we will sell our shares. We review our holdings regularly with a more in depth review done during the quarterly and annual reporting periods of the corporations. Our stock mutual fund investments will possess investment philosophies similar to ours. We may use mutual funds or ETFs to gain better access to international and emerging markets, for smaller accounts, or if these types of securities are preferred by the client.

At times and for various reasons we may see value and growth potential in assets such as commodities, real estate, and other investment assets.

### *Bonds*

Investments that feature regular income or coupon payments as the primary portion of their expected total return fall into our Bond investments category. We take a basic approach to bond analysis. When interest rates are at historically high levels we will prefer to allocate a higher percentage to bond investments, particularly for Conservative and Moderate Investors. Conversely, when interest rates are at historically low levels we will likely allocate a small percentage to bond investments. We also take into consideration the likelihood of interest rates rising, remaining stable, or declining in the future as bond prices will move inversely to changes in interest rates. We will allocate among U.S. and foreign government bonds, agency bonds, corporate bonds, church bonds, and emerging market bonds where we see value and safety.

Investing in bond investments involves risk of loss of income and principal. Securities in this category may be individual bonds, mutual funds, and/or ETFs.

### *Bear Market*

If, in our view, the risk of a prolonged downturn in stocks is high we will invest in Bear Market securities. This category of investments is designed to go up in value when stocks decline. Selling stocks short is the most common operation of this category. Due to the difficulty and high risks associated with selling stocks short we don't do so with individual stock securities. Instead we use professionally managed bear market mutual funds, as well as inverse exchange traded funds (ETF's). We analyze these securities using data from Morningstar and the mutual fund or ETF company reviewing risk adjusted returns, management tenure, portfolio construction, fees and expenses, among other factors to determine suitability.

### *Alternative Strategies*

At times when cash, stock, and bond expected returns are low we will use Alternative Strategies in an effort to achieve higher returns. The most common investment operations in this category are Arbitrage and Market Neutral strategies. Due to the sophistication of these operations we use professionally managed mutual funds in this category. We analyze these securities using data from Morningstar and the mutual fund company reviewing risk adjusted returns, management tenure, portfolio construction, fees and expenses, among other factors to determine suitability.



## *Precious Metals*

When conditions are such that extreme inflation or deflation may be expected, global debt levels are extreme and world governments are rapidly increasing their money supplies, we may invest in Precious Metals securities. These precious metals are usually gold and/or silver. The most common type of securities in this category are individual mining stocks, mining stocks mutual funds and ETFs, and gold and silver bullion ETFs. We analyze these securities using data from Morningstar and the mutual fund or ETF company reviewing risk adjusted returns, management tenure, portfolio construction, fees and expenses, among other factors to determine suitability.

## **Investment Strategies**

### *Focused Strategy*

The goal of The Focused Strategy is to outperform the S&P 500 stock market average by 10% annually over a 3-5 year time horizon. We intend to reach this goal by focusing or concentrating our security weightings more heavily among our strongest convictions. The top 5-6 holdings in this strategy will normally carry a 5%-10% weighting, with the remaining holdings having a weighting below 5%. The Focused Strategy will normally invest in approximately 10-20 individual common stocks. In the event of an extraordinary opportunity the strategy will invest up to 40% in one security. We expect to rarely have holdings with a weighting above 25%.

Due to the concentrated nature of the Focused Strategy it must be considered an aggressive stock program. The volatility of the strategy may be considerably higher than the general stock market averages. During difficult periods individual positions and the strategy as a whole may be down by 50% or more. Investors in this strategy must be prepared to ride out such times of high volatility.

The Focused Strategy does contain several conservative attributes that are designed to provide downside protection and reduce the chance of permanent loss of capital. We seek to purchase shares of leading companies that possess a durable competitive advantage in their industry. We strive to purchase these common stocks when they are priced at a significant discount to our estimate of their intrinsic value, thus providing us with a margin of safety. If stocks possessing these qualitative and quantitative requirements cannot be found the strategy may hold securities in other investment categories until better opportunities present themselves.

### *Growth Strategy*

The Growth Strategy is designed for investment accounts that desire long-term growth of capital in a more diversified fashion than our Focused Strategy. This strategy will primarily invest in Stock Investments such as individual stocks or mutual funds, whichever the client prefers. The strategy also may have allocations to our other investment categories when attractive Stock Investments are limited and/or risk in the general stock market and economy appear high in our view. Our goal in the Growth Strategy is to outperform the S&P 500 over a 3-5 year time horizon. Due to its normally large allocation to Stock Investments this strategy is only suitable for investors who can tolerate a 35%-40% decline in the value of the account during difficult times.

### *Strategic Rising Dividend Strategy*

The Strategic Rising Dividend Strategy invests exclusively in 10-20 high-quality dividend paying stocks. The goals of the Rising Dividend Strategy are:

1. Current annual income from dividends of 2%-4%.
2. Average annual capital appreciation in addition to dividends of 5%-6% over a 3-5 year time horizon.

Additionally, we look for companies that show the willingness and ability to increase their dividends annually in future years. Due to the high-quality nature of the stocks in this strategy they are normally less volatile than the general stock market averages. Dividends also provide downside protection by attracting buyers to a higher yield when the price falls.

Currently however, due to what is in our opinion a substantial overvaluation of most stocks we have a strategic component to our Rising Dividend Strategy that allows us to hold up to 50% of the strategy in cash. The strategy is now called Strategic Rising Dividend.

### *Moderate Strategy*

The Moderate Strategy will normally allocate a fairly balanced amount to Stock and Bond Investments. This strategy is suitable for accounts that desire an allocation to Stock Investments but would not be comfortable with a large majority of the account in Stocks. The Moderate Strategy is suitable for accounts that desire income as well as growth. The Moderate Strategy may have allocations to our other investment categories when attractive Stock and Bond Investments are limited and/or risks in the capital markets and economy appear to be elevated.

### *Conservative Strategy*

The Conservative Strategy is designed for investors that require a high degree of safety but would like some growth and can tolerate a relatively mild amount of volatility. The strategy will be primarily allocated to Cash and Bond Investments, with a small amount (10%-25%) allocated to Stock Investments. The Conservative Strategy may have allocations to our other investment categories when attractive Stock and Bond Investments are limited and/or risks in the capital markets and economy appear to be elevated.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our investment strategy goals, investment services, or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## Disciplinary Information

Form ADV Part 2A, Item 9

Jeffrey T. Martin has been registered since 2002 and has been providing investment advisory services since then. Neither Jeffrey, nor any other associated person of the firm has any disciplinary information.

## Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

We do not have any other financial industry activities or affiliations material to our advisory business or to our clients.

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

Form ADV Part 2A, Item 11

Our standards of business conduct are reflected in our Mission and Core Values as listed here:

### ***Mission.***

As a trusted adviser, we exist to grow and protect our client's assets through superior investments and timely portfolio management while providing individual attention and service.

### ***Core Values.***

TRUST	Always put the client's interest first. Always do what is right regardless of the consequences. Be truthful and candid in all situations.
INTEGRITY	Conduct every aspect of our business with unsurpassed ethical standards.
PERFORMANCE	Through hard work, discipline and innovation, we are dedicated to being the best in our field.
RESPECT	Treating each client with dignity.
PRUDENCE	Enhancing value to clients by providing a reasonable and fair fee structure and by keeping transaction and operating costs to a minimum.

COMMUNICATION Recognizing that each client requires a degree of attention unlike any other inspires us to listen and respond individually as well as to provide information of value to all.

We believe that the laws, rules and regulations decreed to govern the conduct of investment advisers, and business in general, set a minimum standard. In all instances our standards of conduct with regard to: protection of client material nonpublic information; personal securities trading; initial public offerings and private placements; reporting of violations of our code of ethics, educating employees and other access persons about the code; keeping thorough records and reviewing reports and confirming enforcement, will be continuously monitored to ensure adherence to our core values and in maintaining first position in our industry with regard to ethical conduct. Our Code of Ethics is available to you upon request. You may obtain a copy by calling our office at (425) 672-7875.

From time to time the interests of the employees of CIM may coincide with those of a client. Securities may be bought, held or sold by a principal or employee of CIM that is also recommended to or held by a client. It is the policy of CIM to permit the firm and its employees to buy, sell, and hold the same securities that CIM also recommends to clients. CIM has no obligation to recommend for purchase or sale a security that CIM, its principals, affiliates, or employees may purchase, sell, or hold. Please note that client accounts will have priority when it comes to the purchase and/or sale of securities over trades conducted in the accounts of a CIM principal or employee.

CIM has procedures dealing with insider trading, employee related accounts, "front running" and other issues that may present a potential conflict when such purchase, sales, or recommendations are made. In general, these policies and procedures are intended to eliminate, to the extent possible, the adverse effect on clients of any such potential conflicts of interest. If potential insider information is inadvertently provided or learned by a principal or employee, it is the policy of CIM to strictly prohibit its use.

## Brokerage Practices

Form ADV Part 2A, Item 12

We will recommend that securities be purchased through a discount brokerage firm. Our criteria for suggesting a broker/dealer include reasonableness of commissions, other costs of trading, ability to facilitate trades, timeliness of trade executions, access to client records, computer trading support, and other operational considerations. CIM sometimes advises clients to open general securities accounts at Schwab Institutional, a division of Charles Schwab & Co. Inc., (Member SIPC) or TD Ameritrade Institutional, Division of TD Ameritrade, Inc. (Member NYSE/SIPC). CIM is not compensated directly for recommending the broker/dealers. Schwab and TD Ameritrade provide services that include custody of assets, trade execution, some research on securities, and software to monitor the accounts, but these are not conditioned upon business referrals.

We may combine multiple orders for shares of the same securities purchased or sold for advisory accounts that we manage. This practice is known as block trading. We will utilize block trading when in our judgment it will result in a better execution price for our clients. If we execute trades on an account by account basis the price that clients receive may be more or less than other clients due to market fluctuations between trades. Once a block trade has been completed we will distribute a portion of the shares to participating accounts

in the amount that we desire for each account. The distribution of the shares is typically proportionate to the size of the account, but it is not based on the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with client accounts; however, they will not be given preferential treatment.

## Review of Accounts

Form ADV Part 2A, Item 13

Jeffrey T. Martin, President, is responsible for the review of all accounts. Accounts are reviewed on a continuous weekly, monthly, or quarterly basis depending on the investment strategy chosen and the securities in the account to ensure that the advisory services provided to you are consistent with your current investment needs and objectives.

Common events that will initiate a review include, but are not limited to, the following:

- addition or deletion of a security;
- contributions and withdrawals;
- market moving events;
- quarterly account statements issued;
- periodic rebalancing; and/or
- client requests.

Clients receive written reports on their accounts no less frequently than quarterly. CIM provides reports of the client account's current holdings and its performance. In addition, clients receive trade confirmations and monthly statements from their custodian(s). Internet access to investment accounts is available upon request to enable clients to view account reports at any time.

## Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

CIM does not have any arrangements, oral or in writing, where we would be paid in cash or receive any economic benefit to give or receive client referrals.

## Custody

Form ADV Part 2A, Item 15

Client funds and securities are held at a qualified custodian. CIM does not have physical custody of any client funds and/or securities. Clients will receive monthly account statements from their custodian(s) and they should be reviewed carefully. In addition, CIM

mails quarterly account performance reports to all clients. CIM complies with the safekeeping requirements set forth in WAC 460-24A-106.

We urge our clients to compare the account statements received from the qualified custodian(s) with those received from CIM to reconcile the information shown on each statement.

## Investment Discretion

Form ADV Part 2A, Item 16

If you participate in our Investment Management Services, we require you to grant our firm a limited power of attorney to manage your account(s) on a discretionary basis as discussed in our Investment Management Service Agreement. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the Investment Management Service Agreement that you sign with our firm, your initials and/or signature on a Broker/Dealer application, or other power of attorney or trading authorization forms. If the accounts are not held at a broker/dealer custodian that we have an RIA agreement with, such as your company 401k plan, we cannot manage these accounts for you on a discretionary basis. You may limit our discretionary authority by providing our firm with your restrictions and guidelines in writing. For example, you may limit the types of securities that can be purchased for your account. You may also specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the account. Also, you may require restrictions or prohibitions of transactions in the securities of a specific industry or security. You may also require us to purchase or hold certain securities of your choosing on a limited basis by requesting the details of this in writing.

## Voting Client Securities

Form ADV Part 2A, Item 17

We will not vote proxies on behalf of your advisory accounts. At your request we will discuss with you issues regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you.

## Financial Information

Form ADV Part 2A, Item 18

We are not required to provide financial information to our clients because we do not require the prepayment of more than \$500 in fees per client six or more months in advance, take custody of client funds or securities, nor do we have a financial condition that is reasonably likely to impair our ability to meet our commitments to our clients.

## Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

**Jeffrey T. Martin**, ChFC®, CMFC  
President

Jeffrey Martin was born on August 11, 1964 in Seattle, Washington. Jeffrey has 24 years of Investment Management experience and is President of CIM Financial Group. Jeffrey's entrepreneurial spirit and strong work ethic began as a boy delivering the Seattle Post Intelligencer before school and the Seattle Times in the afternoon. As a high school student he started his first business, The Car Deck, a car stereo sales and installation company. Jeffrey graduated with honors from Lynnwood High School in 1982 and was accepted into the University of Washington, but ultimately decided to join the U.S. Naval Reserves. In 1984 he graduated at the top of his class of 200 from the United States Naval Advanced Electronics School in Chicago, Illinois. He worked the next eleven years as an electronics technician and applications engineer for two Bellevue, Washington electronics firms.

Jeffrey began his career in investments in 1995 with Waddell & Reed, Inc. In 1996 he received the prestigious Circle of Champions Honor Award given to the top Waddell & Reed advisors nationally. From 1997 to 2002 Jeffrey was an independent advisor with G.A. Repple and Co. In 1997 and 1998 he received the Franklin Templeton Kite and Key Club award for outstanding service and commitment to his clients. In 2000 the WM Group of Funds recognized him for his outstanding achievements with their Strategic Asset Management portfolios and American Skandia awarded him their Outstanding Service award. In 2002 Jeffrey founded CIM Financial Group as a Registered Investment Advisor.

Jeffrey Martin is a graduate of American College and holds the prestigious financial and estate planning designation of Chartered Financial Consultant *ChFC*®. Jeffrey is also a holder of the Chartered Mutual Fund Counselor designation from the Institute for Wealth Management. He was one of the first advisors to complete the rigorous CANSLIM Masters investment management training from Investors Business Daily and William O'Neil and Co. He has successfully passed the NASD Series 6, 7, 24, 63, and 65 securities license examinations.