

# CLADIS

INVESTMENT ADVISORY, LLC

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This brochure provides information about the qualifications and business practices of Cladis Investment Advisory, LLC. If you have any questions about the contents of this brochure, please contact us @ 406-259-4939 or via email @ [tracy@cladisadvisory.com](mailto:tracy@cladisadvisory.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 Cladis Investment Advisory, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Cladis Investment Advisory, LLC is a Registered Investment Adviser. Registration does not imply a certain level of skill or training.

## Item 2 Material Changes

Investment advisers are required to update this brochure when material changes occur and at least annually and, if necessary, deliver a copy of its updated brochure to its clients, free of charge; or prepare and deliver a Summary of Material Changes reporting material changes made to this brochure since the last annual update. An offer to deliver a copy of the updated brochure, free of charge, will also be included in this Summary of Material Changes document. If no material changes have been made to the brochure the adviser is not required to prepare and complete this Item.

If necessary, Cladis Investment Advisory LLC will prepare this Item as a separate document attached to this brochure; material changes are not identified and discussed here.

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## Item 4 Advisory Business

Cladis Investment Advisory, LLC (CIA) primarily provides investment portfolio management services. We manage client investment portfolios on a discretionary (meaning we buy and sell securities for your portfolio **without** contacting you prior to the transaction for authorization) or non-discretionary basis (meaning we will contact you and obtain authorization prior to the transaction) for a fee. We may incorporate financial planning into our investment portfolio management services, using interactive financial planning software. This tool promotes client engagement and enables us to collaborate with our clients to better assist them in assessing their overall financial situation and planning more effectively. We have been providing investment advice from the Billings, Montana area since June 2010. We are owned and operated by Nick Cladis and Tracy Hawbaker. Fortin Enterprises, Inc. is a silent, non-controlling owner as well. Nick serves as the firm's Manager and is a registered investment adviser representative of the firm. Tracy serves as the firm's Chief Operations Officer and is a registered investment adviser representative of the firm. Brenda Meyer joined the firm in 2012 and serves as the firm's Client Administrator.

As a registered investment adviser, CIA is a fiduciary, obligated by law to always place its clients' interests before its own. We embrace this responsibility and duty. We are committed not only in executing this duty, but also to preserving the confidentiality of our clients' non-public information and to eliminating or mitigating conflicts of interest such as any business relationship that could reasonably be expected to affect our independence, objectivity, or loyalty to our clients.

CIA recommends and advises upon individual corporate exchange-listed stocks, both domestic and foreign, corporate bonds, United States government and agency bonds, CD's, municipal securities, mutual funds and exchange-traded funds. We do not advise or recommend derivatives of these investments such as options.

CIA also provides financial planning and investment advice through consultation for an hourly fee. We will collect necessary information to complete the services requested by the client and provide a written summary of recommendations.

We tailor our investment advice and recommendations to the individual financial needs and investment objectives of our clients. Recommendations are based upon each client's risk tolerance, investment objectives, annual income, net worth and liquid net worth, age, income needs, and other significant assets. Clients may restrict the purchase of certain asset classes or securities or types of securities purchased in their portfolio.

As of December 31, 2024, we managed approximately \$206,000,000 of client assets on a discretionary basis and \$574,000 on a non-discretionary basis.

Cladis Investment Advisory, LLC does not offer tax, legal or accounting advice. We encourage our clients to discuss any of our recommendations with their personal tax, accounting, or legal advisers.

## Item 5 Fees and Compensation

CIA is compensated for managing investment portfolios based upon a percentage of the market value of assets managed. We will explain all fees to ensure client understanding and before any services are rendered. Fees are negotiable.

Clients authorize fees to be deducted from their accounts or clients can choose to be billed directly. Fees are payable quarterly in advance and based on the market value of the portfolio at the end of the previous quarter.

<u>Market Value of Assets Managed</u>	<u>Annual Fee</u>
\$999,999 or less	1.25%
\$1,000,000 to \$2,499,999	1.00%
\$2,500,000 to \$4,999,999	.90%
\$5,000,000 to \$10,000,000	.75%
Above \$10,000,000	Negotiable

For the first invoice, fees will be calculated and billed when a majority of the client's assets are received into the account (if a transfer of assets is deemed necessary - see **Item 12. Brokerage Services** for more information). The fee will be based upon the market value of the assets on that day and number of days left in the quarter the agreement was executed.

Example:

Date Majority of Assets Received into Account	# of Days Left In Quarter	Annual Fee	Market Value of Assets on May 27	Calculated Fee to be Billed on May 28 [(\$1,177,592*.01)/365] X 35
May 27	35	1.00%	\$1,177,592.00	\$1,129.10

Clients may also choose to negotiate a flat quarterly fee. Negotiated flat fees will be billed the date the agreement is signed and pro-rated for the number of days left in the quarter the agreement was executed.

We will execute an investment advisory agreement with our clients defining certain terms of the advisory relationship.

The investment advisory agreement can be terminated at any time. Clients may terminate the agreement, without any fees due or penalty, within 5 business days of signing the agreement. If the agreement is terminated after 5 business days, the client will receive a refund of fees paid in advance, but not yet earned, based upon the number of days left in the quarter. Example:

Billing Period	Market Value of Assets Under Management as of March 31	Quarterly Fee Paid in Advance [(\$1,154,688 X .01/365) X 91]	Agreement Termination Date	# of Unearned Days	Calculated Fee to be Returned [(\$2,878.81/91) X 51]
2 <sup>nd</sup> Quarter April 1 <sup>st</sup> – June 30 <sup>th</sup> 91 days	\$1,154,688.00	\$2,878.81	May 10	51	\$1,613.40

For our financial planning and investment advice provided through consultation services we charge \$200.00 per hour. Fees are due when services are rendered and client receives the written recommendations report. Any agreement executed for consultation services can be terminated within 5 business days without penalty, but if terminated after 5 business days, fees for time spent on the client's project up to that date will be due.

Clients will incur transaction fees charged by the broker-dealer through which the investments are purchased or sold. Mutual funds and exchange traded funds also charge annual fees which include asset management, administrative, and operating fees. These fees are reported as an annual expense ratio which can be found in the fund's prospectus. We do not retain any portion of any of these fees. The broker-dealer or investment company retains these fees.

For additional information see [Item 12. Brokerage Practices](#) below.

We do not receive any other compensation such as commissions or "loads" for the sale of securities or other investment products nor do we receive any annual service fees (such as 12b-1 fees) from mutual fund or other investment companies.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

CIA is not compensated with performance-based fees.

## **Item 7 Types of Clients**

CIA provides investment advisory services to individuals, trusts, estates, charitable organizations, corporations, pension and profit-sharing plans, and other business entities. Generally we seek to establish relationships with total assets under management greater than \$250,000.00.

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

CIA's investment strategy focuses primarily on allocating and diversifying the investments held in your portfolio amongst several different asset classes (large cap, mid-cap, small cap, international, fixed income, etc.) in an effort to decrease volatility and risk and increase the portfolio's return.

We will establish an asset allocation based primarily upon your individual risk tolerance, time horizon, and account size among other factors.

We then search for investment opportunities within the selected asset classes and across various industry sectors such as Technology, Energy, Basic Materials, Healthcare, Consumer Discretionary, Consumer Staples, etc. We may overweight, i.e. allocate towards the high end of an established range for certain asset classes or sectors if we view the asset class or sector is "out-of-favor" or has potential to outperform either in the short-term (within 1 year) or long-term (after 3 years). Overweighting may not produce the desired results if the asset class or sector does not perform as expected.

**It is important to understand investing in general involves risk of loss that you should be prepared to bear.**

Our investment strategy focuses on asset allocation and diversification which involves purchasing several various investments. Clients will incur transaction costs per trade, so diversifying investment portfolios across several asset classes increases the transaction costs for the portfolio. Also, as stated above, we may overweight certain asset classes or sectors if we view the asset class or sector is “out-of-favor” or has potential to outperform. Overweighting may not produce the desired results if the asset class or sector does not perform as expected.

Other investment risks include but are not limited to the following:

- **Market Risk** The risk that market conditions can negatively impact investment returns. Market risk is generally dependent on valuation and economic conditions, such as inflation, consumer sentiment, or credit availability. This risk includes the daily fluctuation in the share price of the investment. Cyclical down markets are unavoidable.
- **Business Risk** Any risk that lowers a business’s net assets or net income, could, in turn, lower the return of any security based on it. Basically any company could fail due to unforeseen circumstances.
- **Industry Risk** The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk** The value of investments may not keep pace with inflation. If the after-tax return on an investment is less than the rate of inflation, then the value of the investment will decline.
- **Interest Rate Risk** Changes in interest rates can have a positive or negative impact on the value of investments or returns. For example, many fixed interest investments invest in government bonds. If interest rates rise between the date of purchase and the date you need to sell it, you may have to sell the bond for less than you would have received if you held it to maturity.
- **Credit Risk** The possibility that a bond issuer will fail to repay interest and principal in a timely manner. Also called default risk.

Investing in international investments includes, but is not limited to, the following additional risks:

- **Country Risk** The possibility that political events (war, national elections), financial problems (rising inflation, government default), or natural disasters (earthquake, poor harvest) will weaken a country’s economy and cause investments in that country to decline.
- **Currency Risk** The possibility that returns could be reduced for U.S. dollar-based investors investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.

As stated in **Item 4. Advisory Business** we may recommend and advise upon mutual or exchange-traded funds. Investing in funds also presents the following risk:

- **Manager Risk** The possibility that an actively managed mutual fund’s investment adviser will fail to execute the fund’s investment strategy effectively resulting in the failure of the stated objectives.

CIA's main sources of information for its investment research are:

- financial newspapers and magazines,
- research materials prepared by others,
- corporate rating services,
- annual reports, prospectuses, filings with the SEC and
- company press releases.

## Item 9 Disciplinary Information

We have no legal or disciplinary events to disclose.

## Item 10 Other Financial Industry Activities and Affiliations

We are not involved or affiliated with any other financial industries or activities. We do not recommend or select other investment advisers for clients.

## Item 11 Code of Ethics

CIA is committed to its fiduciary duty to always act in good faith and in the best interest of its clients. We have adopted a Code of Ethics and adhere to the following tenets:

**Objectivity:** The firm and its representatives will provide unbiased advice and receive only fees (no commissions or other compensation) for its investment advisory services. We will not receive any compensation contingent upon any client's purchase or sale of an investment product.

**Confidentiality:** The firm and its representatives will not disclose to a third party the identity, affairs, or investments of any client unless the information concerns illegal activity, is required by law to do so, or consented to by the client.

**Competence:** The firm and its representatives will strive to maintain a high level of knowledge and will provide advice only in areas we are capable.

**Fairness:** The firm and its representatives will deal fairly with all clients when providing investment information and making investment recommendations.

**Clients' Investment Priorities Over Firm's Own Interests:** The firm and its representatives will give priority to investment recommendations made to the client over those that benefit our own interests.

**Suitability:** The firm and its representatives will make a reasonable inquiry into a client's or prospective client's investment experience, risk and return objectives, and financial constraints prior to making any investment recommendation and will reassess and update this information regularly. We will also determine an investment is suitable to the client's financial situation and consistent with the client's financial situation and investment objectives before making an investment recommendation. We will judge the suitability of investment recommendations in the context of the client's total portfolio.

**Integrity & Honesty:** The firm and its representatives will not engage in any professional conduct involving dishonesty, fraud, or deceit or commit any act that reflects adversely on our professional reputation, integrity, or competence.

**Regulatory Compliance:** The firm and its representatives will strive to maintain compliance with applicable State and Federal securities industry regulations.

**Full Disclosure:** The firm and its representatives will fully describe its method of compensation and total cost of investment recommendations. We will make full and fair disclosure of all matters or conflicts of interest that could reasonably be expected to impair the independence and objectivity or interfere with our respective fiduciary duty to our clients.

Our **Code of Ethics** is available to our clients and prospective clients upon request.

CIA or its employees and representatives invest in the same securities we recommend to our clients. We buy or sell securities for client accounts at or about the same time we buy or sell securities for our own accounts.

Investing in securities our clients also invest in presents a potential conflict of interest because we also want the value of those securities to rise to benefit our own accounts. The possibility then exists for the investment adviser or its representatives and other personnel to purchase a security for their own account(s) prior to purchasing in their clients' accounts, affecting several client transactions in the same security in an effort to increase the value of the security, and then profitably selling the security in the proprietary account.

We require firm personnel to adhere to our Code of Ethics and our fiduciary duty to always place our clients' interests before our own. We require personnel to be cognizant of client trading activity and ensure transactions placed for proprietary accounts are appropriate prior to executing the proprietary trade. When the firm is aware of transacted or potential transactions in mutually owned securities, and if applicable and appropriate, we will ensure orders are placed in client accounts before our own. In an effort to detect and prevent improper proprietary trading we require applicable personnel periodically report security holdings and transactions. Personnel are subject to termination and possible regulatory action if a pattern of impropriety is detected.

## Item 12 Brokerage Practices

### **The Broker and Custodian We Use**

CIA does not maintain custody of client assets we manage although we are deemed to have custody of client assets for regulatory purposes if clients give us authority to withdraw advisory fees from their account (see [Item 15. Custody](#) below). Client assets must be maintained in an account at a "qualified custodian", generally a broker-dealer or bank.

To manage client assets CIA recommends its clients open and maintain accounts at TradePMR, a registered broker-dealer, member SIPC and FINRA, and Wells Fargo Clearing Services, LLC also a registered broker-dealer, member SIPC and FINRA. TradePMR will act as the introducing broker-dealer and provides CIA with a trading and account management platform, among other services (see **Products and Services Available to Us from TradePMR** below). TradePMR has entered into an agreement with Wells Fargo Clearing



Services, LLC to execute and clear client securities transactions and custody client assets. Your assets will be held in a brokerage account maintained at Wells Fargo Clearing Services, LLC and TradePMR will execute securities transactions as CIA instructs them to. Not all advisers require clients to maintain their accounts at a particular broker-dealer and custodian.

CIA is independently owned and operated and is not affiliated with TradePMR or Wells Fargo Clearing Services, LLC.

While we recommend you use TradePMR and Wells Fargo Clearing Services, LLC you decide whether to do so. We do not open the custodial accounts for you although we may assist you in doing so.

We may use other brokers to execute trades for client accounts maintained through TradePMR as described below (see **Prime Broker or Trade Away Fees**), but please note, such transactions are rare.

### **Your Brokerage and Custody Costs**

As described above in [Item 4. Advisory Services](#) transaction fees are charged on some investment options by the broker-dealer through which the investments are purchased or sold. All clients are charged the same transaction fee which varies by investment (individual equities, mutual funds, etc.). The transaction fees charged our clients are negotiated between CIA and TradePMR. We believe the transaction fees charged are reasonable in light of the services received by CIA and ultimately benefit the client in the form of effective and efficient management of their account. These transaction costs may be more or less than the transaction costs a client may negotiate with another broker-dealer or incur with another investment adviser. Periodically we assess the transaction fees charged by other broker-dealers/custodians and the fact that other broker-dealers/custodians have moved away from charging transaction fees. Periodically, we also discuss with TradePMR current transaction fees charged our clients and market conditions in an effort to determine if a lower fee can be negotiated. It is important to note that No Transaction Fee investments (NTFs) may not necessarily always be in a client's best interest, as the investment option may have higher internal expenses, may not perform as well as an investment option in which a transaction fee is charged, may be a proprietary or related fund in which a fee is paid to a related entity, or may be a fund that pays the broker-dealer an annual percentage fee to be an investment option available on the broker-dealer/custodian platform.

The factors we consider in selecting a broker-dealer and custodian are:

- Capability to execute, clear, and settle trades in an efficient matter
- Promptness and accuracy of confirmations and statements provided to clients
- Investment availability [stocks, bonds (corporate, municipal, U.S. Government and Agency), mutual funds, exchange-traded funds (ETFs), etc.]
- Up to date technology
- Effective and efficient adviser support platform (trading, account access, and reporting)
- Availability and value of investment research and tools
- Personalized service to us and our clients
- Capability to facilitate transfers and payments
- Transaction fees charged our clients

NTFs are also offered on TradePMR's platform. We will choose the NTF investment option if such option is in the client's best interest. We will consider the internal expense ratios, performance, and share class of the NTF option to determine if avoiding a transaction fee is actually a benefit to the client. For example, an NTF may be offered only for the A share class, not the adviser share class, or the investment option simply may not perform as well or have higher annual internal expenses than an investment option in which a transaction fee is charged.

Mutual funds and exchange traded funds also charge annual fees which include asset management, administrative, and operating fees. These fees are reported as an annual expense ratio which can be found in the fund's prospectus. We do not retain any portion of any of these fees. The broker-dealer or investment company retains these fees.

### **Products and Services Available to Us from TradePMR and Wells Fargo Clearing Services, LLC**

TradePMR & Wells Fargo Clearing Services, LLC provide outstanding customer service, superior technology, and access to a wide variety of products and partners to efficiently and effectively manage our clients' investment portfolios.

#### **► Trading and Account Management Platform**

Advisor Workstation Fusion:

- account management, workbooks, and records
- investment research and quotes
- transaction execution (clearing services provided by Wells Fargo Clearing Services, LLC)
- efficient trading modules (model, position, basket)
- reports (client account values, open orders, positions, activities, action items, trade blotter)
- fee processing

Market News: complete market news

Stock Screener: allows us to find stocks that match a set of criteria we define

Stock Detailed Quotes: enter information and look up various data points on both equities and markets

Mutual Fund Research: detailed mutual fund information and screening capabilities

Performance Reports: Account performance and summaries and portfolio analysis

Client On-line Account Access: The secure Investor Access System provides our clients with access to real-time account information, account statements, confirms and 1099s.

**► Access to a large selection of investment products including no transaction fee (NTF) mutual funds and ETFs.**

► **Asset Custodial Services.** Wells Fargo Clearing Services, LLC custodies our clients' assets at no charge to us.

► **Annual Conferences.** Leading industry speakers, advisor workstation Fusion updates and working groups, networking, etc. (CIA must pay its own travel costs.)

TradePMR and Wells Fargo Clearing Services, LLC provide these services to us at no cost. CIA receives these services simply as a participant in the TradePMR platform regardless of trading activity in any or all accounts. We benefit because we do not have to pay for some of these services *versus* recommending other broker-dealers that may charge our clients lower transaction fees but also do not provide these services. Therefore we would have to purchase the additional services to manage our clients' accounts which in turn would raise our cost of doing business.

The availability of these services at no charge presents a potential conflict of interest because there is incentive to recommend you maintain your account with TradePMR based on our financial interests rather than based on your interest in receiving best value in brokerage and custody services and the most favorable execution of your transactions. However, we believe recommending TradePMR is in the best interests of our clients. These services allow us to effectively and efficiently manage the accounts ultimately to our clients' benefit. All of our clients' accounts receive the benefits of these services.

We believe our recommendation of TradePMR and Wells Fargo Clearing Services, LLC is in the best interest of our clients as well and is supported by the overall scope, quality and price of services TradePMR and Wells Fargo Clearing Services, LLC provide. Clients may be able to negotiate lower transaction costs with another broker-dealer or incur lower transaction costs or fees with another investment adviser.

TradePMR also offers access to other services such as streaming quotes, client relationship management software, and performance reporting for a fee.

#### **Prime Broker or Trade Away Fees:**

As stated above we may use other brokers to execute trades for client accounts maintained through TradePMR. For example, other brokers such as D.A. Davidson or Crews & Associates may offer CIA bonds or CDs not available through TradePMR and Wells Fargo Clearing Services, LLC. In addition to commissions, TradePMR charges our clients a "prime broker" or "trade away" fee for each trade that we execute through a different broker-dealer but the securities bought or the funds from the securities sold are deposited (settled) into your Wells Fargo Clearing Services, LLC account.

To minimize our clients' trading costs, we execute most trades for your account through TradePMR. We have determined having TradePMR execute most trades is consistent with our duty to seek "best execution" of our clients' trades. "Best execution" means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "**How we Select Brokers/Custodians**").

## Brokerage for Client Referrals

CIA does not consider client referrals in selecting or recommending TradePMR and Wells Fargo Clearing Services, LLC.

## Directed Brokerage

As stated above, we recommend you use TradePMR and Wells Fargo Clearing Services, LLC but you decide whether to do so. CIA is independently owned and operated and is not affiliated with TradePMR or Wells Fargo Clearing Services, LLC. We believe our recommendation of TradePMR and Wells Fargo Clearing Services, LLC is in the best interest of our clients. This recommendation is supported by the scope, quality and price of TradePMR and Wells Fargo Clearing Services, LLC's services. The conflicts of interest this recommendation may present are described and addressed in **Products and Services Available to Us from TradePMR and Wells Fargo Clearing Services, LLC** above.

Some of our current clients maintain accounts at other custodians and direct us to affect securities transactions through other broker-dealers. If so instructed by the client to execute trades through a particular broker-dealer other than TradePMR and Wells Fargo Clearing Services, LLC, the client may not receive the best execution available, may pay higher commissions, and may not be able to participate in aggregated trades (please see **Order Aggregation** below). In selecting an executing broker-dealer clients are encouraged to consider, among other factors, the following:

- Brokerage arrangements other than those directed by the client may exist that would provide the client more favorable execution or additional brokerage related services;
- Other than in connection with monitoring trade execution data for client transactions, we have no responsibility to determine or assess the extent or value of service provided to clients provided by their directed executing brokers, nor do we generally have access to such information;
- Technological capabilities and limitations of a client's executing broker (e.g. a broker's inability to receive orders electronically) may affect our ability to relay trading instructions to such broker as efficiently as we are able to relay instructions to brokers that have more sophisticated order systems.

We encourage our clients to periodically review the terms of their brokerage agreement to ensure the terms meet their needs and are competitive in the market in relation to the services offered.

## Order Aggregation

Order aggregation, also known as block-trading, is the process of adding together individual client trade orders to purchase or sell the same security as one large order. Investment advisers may aggregate orders for administrative convenience and in an effort to ensure clients receive the same price per share. The price received per share will be the average share price of all orders executed to fill the block-trade. This price may be more or less than if the order was executed individually. Individual transaction fees are not affected, you will incur the same transaction fee regardless if the order is aggregated or executed individually. Generally we manage accounts on an individual basis and do not aggregate orders.

If CIA representatives or employees are trading a security that we also are trading for clients, the representatives' or employees' order is either aggregated with the clients' orders, or the representatives' or employees' order is placed after the clients' orders.

Trading activity *directed by clients* may not be aggregated simply because we may not be trading that same security in other accounts at that time.

## Item 13 Account Reviews

### **Account Review**

We review and monitor account investments continuously for changes in market, national and global economic conditions, and other factors that may affect investment or security value and perhaps warrant increasing or decreasing an account's holding of that investment. Additional investment opportunities are also continuously sought and monitored.

We encourage personalized account reviews with the client at least biannually but preferably quarterly and will meet with our clients at any time the client requests. We also review client accounts immediately upon learning of material changes in client circumstances.

Although other personnel may assist in preparing for client meetings, Mr. Cladis, majority owner, CCO, and investment adviser representative, is the primary account reviewer.

### **Reports**

We generally provide at least a report of the client's account(s) holdings at any client meeting and as part of the personal account review mentioned above in **Account Review**. We also strive to furnish any reports our clients may request. Therefore the nature and content of the reports produced and provided varies by client.

Clients will also receive account statements directly from the custodian where their account is held.

## Item 14 Client Referrals and Other Compensation

CIA does not compensate anyone for client referrals. CIA may refer clients to third-parties for certain financial services necessary to meet the client's objectives, however, CIA does not receive any compensation for its referrals.

## Item 15 Custody

Although under government regulations we are deemed to have custody of client assets if clients authorize us to instruct the custodian to deduct our advisory fees directly from their account, CIA does not take custody of client funds or securities. Our clients open accounts at a separate custodian. As explained above in [Item 12. Brokerage Practices](#), we encourage our clients to open accounts at Trade PMR and Wells Fargo Clearing Services, LLC, but ultimately you choose the custodian you wish to use.

The custodian will send account statements quarterly, or more frequently, directly to you. We strongly encourage our clients to compare and reconcile information reported on the custodian statements to any account information we may provide.

## **Item 16 Investment Discretion**

As stated in [Item 4. Advisory Business](#) CIA manages investment portfolios on either a discretionary (meaning we buy and sell securities for your portfolio without contacting you prior to the transaction for authorization) or a non-discretionary basis (meaning we will contact you and obtain authorization prior to the transaction). Clients generally choose to provide us full discretionary authority to manage their accounts. Our clients may limit or restrict securities we can purchase for their account(s).

We will not exercise any discretionary power without first obtaining written discretionary authority from the client. Discretionary authorization is granted in the Investment Advisory Services Agreement we execute with our clients. Discretionary authority is also granted in the broker-dealer account opening application.

## **Item 17 Voting Client Securities**

CIA will not vote, or give any advice about how to vote, proxies for securities held in our clients' investment accounts.

## **Item 18 Financial Information**

We do not require or solicit prepayment of \$1,200.00 in fees per client, six months or more in advance and therefore have not included a balance sheet. We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments, nor have we been the subject of any bankruptcy petition.

**FORM ADV PART 2B: BROCHURE SUPPLEMENT**



Nicholas R. Cladis

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This brochure provides information about Nicholas Cladis that supplements the Cladis Investment Advisory, LLC Brochure. You should have received a copy of the brochure. Please contact Tracy Hawbaker @ 406-259-4939 or via email @ [tracy@cladisadvisory.com](mailto:tracy@cladisadvisory.com) if you did not receive a copy of Cladis Investment Advisory, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Nicholas Cladis is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Educational Background and Business Experience

**Nicholas R. Cladis**

Born in 1950

**Formal Education After High School:** Nick attended and graduated from Montana State University – Billings in 1972 with a Bachelor of Science Degree in Business Finance

### **Business Background for Preceding Five Years:**

- May 14, 2010 to present: Owner, Manager, and Investment Adviser Representative of Cladis Investment Advisory, LLC
- February 2, 2007 - May 14, 2010: Investment Adviser Representative of Capstone Wealth Management
- May 1976 – October 2006: Registered Representative and Investment Adviser Representative of UBS Financial Services

## Item 3 Disciplinary Information

Nick has not been involved in legal or disciplinary events that are material to a client or prospective client's evaluation of Nick and Cladis Investment Advisory, LLC.

## Item 4 Other Business Activities

Nick is not actively engaged in any other business or occupation, investment-related or otherwise.

## Item 5 Additional Compensation

Nick does not receive any economic benefit from someone who is not a client for providing advisory services.

## Item 6 Supervision

Nick Cladis and Tracy Hawbaker provide advice to firm clients as a team and therefore Tracy inherently supervises the advice provided by Nick Cladis as she is involved in most advice given and meetings with firm clients. Tracy also monitors Nick's trading and communications. Tracy is the firm's Chief Operations Officer and can be contacted at 406-259-4939.



**FORM ADV PART 2B: BROCHURE SUPPLEMENT**



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This brochure provides information about Tracy Hawbaker that supplements the Cladis Investment Advisory, LLC Brochure. You should have received a copy of the brochure. Please contact Tracy Hawbaker @ 406-259-4939 or via email @ [tracy@cladisadvisory.com](mailto:tracy@cladisadvisory.com) if you did not receive a copy of Cladis Investment Advisory, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Tracy Hawbaker is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Educational Background and Business Experience

**Tracy W. Hawbaker**

Born in 1968

**Formal Education After High School:** Tracy attended and graduated from Montana State University – Bozeman in 1990 with a Bachelor of Science Degree in Business Finance. Tracy holds the Accredited Wealth Management Adviser (AWMA®) and Certified Trust and Financial Advisor (CTFA) designations.

Developed in response to the need for advanced training within investment firms, the AWMA<sup>SM</sup> Professional Designation Program offers investment professionals with precise, hands-on information needed to provide ample, planning-oriented wealth management advice. Individuals who complete the program pass a final exam, acknowledge receipt and understanding of and adherence to the Standards of Professional Conduct, and earn the right to use the AWMA® designation. To maintain this designation designees must continue to adhere to the organization's Standard of Professional Conduct and complete 16 credits of continuing education every two years.

The CTFA program is designed to establish a recognized standard of knowledge and competence for the trust and wealth advisory field and formally recognize those who meet those standards. To obtain the CTFA designation individuals must meet certain wealth management experience criteria, be referred by a professional wealth manager to sit for the examination, and of course ultimately pass the examination. To maintain a good standing CTFA designation the designee must adhere to the Institute of Certified Banker's Professional Code of Ethics and complete 45 credits of continuing education with a minimum of six hours in four knowledge areas every three years and complete 3 continuing education credits in Ethics.

### **Business Background for Preceding Five Years:**

- July 2010 to present: Senior Account Administrator, Registered Investment Adviser Representative, Owner and Chief Operations Officer
- December 2006 through June 2010: Registered Investment Adviser Representative with Capstone Wealth Management
- June 2005 through December 2006: Client Service Associate and Registered Investment Adviser Representative with UBS

## Item 3 Disciplinary Information

Tracy has not been involved in any disciplinary events.

## Item 4 Other Business Activities

Tracy is not actively engaged in any other business or occupation, investment-related or otherwise.

## Item 5 Additional Compensation

Tracy does not receive any economic benefit from someone who is not a client for providing advisory services.

## Item 6 Supervision

Nick Cladis and Tracy Hawbaker provide advice to firm clients as a team and therefore Nick inherently supervises the advice provided by Tracy as he is involved in most advice given and meetings with firm clients. Nick also monitors Tracy's trading and communications. Nick is the firm's Chief Compliance Officer and can be contacted at 406-259-4939.