

**Part 2A of Form ADV: Firm Brochure**

**Item 1 Cover Page**

Crosswalk Investment Advisory, Inc.

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Part 2A of Form ADV

Firm Brochure

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This brochure provides information about the qualifications and business practices of Crosswalk Investment Advisory, Inc. If you have any questions about the contents of this brochure, please feel free to contact us at (717) 295-8881. 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 Crosswalk Investment Advisory, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Crosswalk Investment Advisory, Inc. is a registered investment advisor. This registration does not imply a certain level of skill or training.

**Item 2 Material Changes**

There are no material changes in this brochure from the last annual updating amendment of Crosswalk Investment Advisory, Inc. on 02/25/2022. Material changes relate to Crosswalk Investment Advisory, Inc.'s policies, practices or conflicts of interests.

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## Item 4 Advisory Business

Crosswalk Investment Advisory, Inc. is a registered investment advisory firm which offers investment management, financial planning, and consulting services.

It was founded in November of 1999 and is owned by Lee E. Kerr and Edward Plakans.

### SERVICES OFFERED

Crosswalk Investment Advisory, Inc. offers clients investment management services where investment accounts and portfolio are managed on a regular and continuous basis. We may help clients in determining, among other things, their investment goals and objectives, risk tolerance, suitability, and time horizons. The client's portfolio will be managed according to these guidelines. We will manage advisory accounts on a discretionary and/or a non-discretionary basis. Clients may impose restrictions on investing in certain securities or types of securities.

Crosswalk Investment Advisory, Inc. offers financial planning services including comprehensive and limited financial and investment plans. These plans may begin with the process of gathering information from the client such as income and expenses, taxes, insurances, investments, wills, trusts, and/or other relevant information about the client's financial situation. This information, as well as the client's goals, risk level, and objectives, are reviewed and analyzed and recommendations are developed to review with the client.

Crosswalk Investment Advisory, Inc. may also offer certain administrative and consulting services on an hourly basis. This consultation service usually involves general investment advice and/or financial planning.

Crosswalk Investment Advisory, Inc. does not participate in wrap fee programs.

As of December 2022, Crosswalk Investment Advisory, Inc. managed approximately

\$ 36,048,026 .00 assets on a discretionary basis.

## Item 5 Fees and Compensation

### FEES AND COMPENSATION

Crosswalk Investment Advisory, Inc. is compensated for the management of investment portfolios by charging a management fee. Fees are negotiable.

The basic Management Fee Schedule is as follows:

Market Value of Account	Annual Fee
From 0 - \$2,499,999.99	1.00%
Over \$2,500,000	.75%

Fees will be comparable to industry standards, based on the complexity of the management of the account. Fees are charged for the quarter ahead. Fees are not collected for services to be performed

more than six months in advance. The value of the account is calculated based on the closing values of the managed assets on the last business day of the calendar quarter. New accounts may be charged a prorated initial fee based on the amount of time left in the quarter. Pro-rated fees may be applied if the client deposits or withdraws \$5000 or more in a single day. Clients may select one of the two options for the payment of fees:

1. Clients will receive an invoice, which will include, among other things, the amount of the fee, how the fee was calculated, the value of the assets on which the fee was based, notice that the fee is a prepaid fee, and the time frame which the fee covers. Payment of the invoice is due within 30 days of the date of the invoice. If payment has not been received and no other payment arrangements have been made, Crosswalk Investment Advisory, Inc. may terminate the advisory agreement according to termination guidelines.

2. Clients will have their fees directly removed from their account. However, Crosswalk Investment Advisory, Inc. will never have custody of any client funds, as there will always be a custodian arrangement in place, for example with Charles Schwab & Co., Inc. or another broker/dealer. The client must provide written authorization permitting the fee to be paid from the client's account at the independent custodian. The custodian must also send to the client a statement, at least quarterly, indicating all amounts disbursed from the account. The client will be sent notification of the fee at the same time the custodian is sent the fee deduction request. Notifications will include, among other things, the amount of the fee, how the fee was calculated, the value of the client's assets on which the fee was based, notice that the fee is a prepaid fee, and the time frame which the fee covers. Fees will normally be deducted from the client's account within 10 days after the end of the quarter, or within 10 days of opening a new account.

Financial Planning and Consulting fees are charged on an hourly basis ranging from \$85- \$150/hour and are negotiable. The client will receive an invoice showing a description of the service, the time involved and the amount of the hourly fee, and the total amount of the fee.

## TERMINATION

A Client Investment Advisory Agreement may be cancelled at any time, by either party, for any reason upon written notice to the other party. Upon termination the prepaid fee will be promptly refunded. If the agreement is terminated within five business days from the date of inception, all fee which have been paid will be promptly refunded.

## OTHER FEES

Client may incur custodian fees, mutual fund expense fees, brokerage and other transaction costs. These fees are charged and collected by the custodian and/or mutual fund but Crosswalk Investment Advisory, Inc. does not receive any compensation from these fees and/or expenses. Please see the section of this brochure that discusses Brokerage (Item 12).

Crosswalk Investment Advisory, Inc. and its supervised persons does not accept compensation for the sale of securities or other investment products, including any asset-based sales charges or service fees from the sale of mutual funds.

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

Crosswalk Investment Advisory, Inc. does not charge any performance fees.

## **Item 7 Types of Clients**

Crosswalk Investment Advisory, Inc. generally provides investment advice to individuals, trusts, pension and profit-sharing plans, corporations, and estates.

The minimum assets under management for a client is generally \$100,000. Accounts below this amount may be negotiable and accepted on an individual basis at the firm's discretion.

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

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

Crosswalk Investment Advisory, Inc. uses both fundamental and technical analysis in the process of investment selections. We utilize numerous independent research and news services that provide in-depth and timely perspectives on individual investments, investment markets and the global economies.

Investment strategies include buy and hold, asset allocation, short term purchases (sold within a year), trading (securities sold within 30 days), short sales, and option writing, including covered and uncovered strategies.

All clients should be aware that investing in securities involves the risk of loss. The investment strategies of Crosswalk Investment Advisory, Inc. could lose money over short and long periods of time. There are many different market risks which could have a negative impact on the performance of the client's investments. Also, Crosswalk Investment Advisory, Inc. may rely on information that, although thought to be reliable, turns out to be wrong.

### **Potential Risks of Investing with Stocks, Bonds, Mutual Funds, EFT's, and Options**

**Stock Market Risk:** This is the possibility that stock prices overall will decline over short or extended periods. Smaller companies normally involve greater risk than larger, established companies and their stock prices may fall further and faster than large companies, although this is not always the case.

**Liquidity Risk:** This is the possibility that some investments may be difficult to trade or not be able to be traded at all because there is not enough interest in the security.

**Interest Rate Risk:** Bonds and bond funds can lose value if there is a change in interest rates. Normally, if interest rates rise, bond values will fall and if interest rates decline, bond prices will normally increase.

**Credit Risk:** This is the possibility that an issuers of a bond may default on its obligation to pay interest and or principal.

**Call Risk:** Many fixed income securities allow the issuer to repay the debt early. This may mean that the holder of the bond may have to reinvest proceeds in lower interest rate bonds.

Style Risk: This is the possibility that returns from a specific type of security a mutual fund or ETF invests in will not perform as well as the overall market.

Foreign Risk: Investing in foreign securities, in addition to the same market risk of U.S. securities, involve the added risk of loss due to political, economic, legal, and regulatory issues.

Options Risk: Options risks include the risk of losing all of your principal. Certain options strategies risk unlimited losses.

## **Item 9 Disciplinary Information**

### **DISCIPLINARY INFORMATION**

Crosswalk Investment Advisory, Inc. and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

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

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Lee E. Kerr, a management person of Crosswalk Investment Advisory, Inc. is also a principal of Crosswalk Management Group, LLC., which provides tax planning and preparation services for individuals as well as financial and general business consulting services for small businesses.

Clients of Crosswalk Investment Advisory, Inc are made aware that income tax planning and return preparation services are available through Crosswalk Wealth Management Group, LLC and that there are fees associated with those services that are not included in the cost of investment management services provided through Crosswalk Investment Advisory, Inc. Crosswalk Investment Advisory, Inc. always acts in the best interest of the client, and clients always have the right to decide whether or not to utilize the services of any Crosswalk Investment Advisory, Inc. representative in such individual's outside capacities.

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

### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Crosswalk Investment Advisory, Inc. and/or its related persons, may own securities which are recommended to clients, which may present a potential conflict of interest. We will attempt to inform the client of this interest immediately. In any case, all client transactions will be executed before any personal transactions.

Crosswalk Investment Advisory, Inc. does a regular review of security transactions done by any related persons.

Crosswalk Investment Advisory, Inc. has adopted a firm wide compliance policy statement in regard to insider trading, dishonest and unethical practice, and fraudulent and prohibited practice as outlined in 64 Pa Code, 305.019 and PA Securities Act of 1972.

In the normal course of business, members of Crosswalk Investment Advisory, Inc. may provide gifts and gratuities to clients and other persons. These gifts, gratuities, and contributions are not based on any specific client referrals or any expectation of any other type of benefit to Crosswalk Investment Advisory, Inc.

Crosswalk Investment Advisory, Inc will provide a copy of its code of ethics to any client or prospective client, upon request.

## **Item 12 Brokerage Practices**

### **BROKERAGE PRACTICES**

Crosswalk Investment Advisory, Inc. currently uses Charles Schwab and Co. as the broker-dealer for client transactions. Charles Schwab and Co. has standard discounted transaction fees and commissions on investment transactions. It is one of the lowest in the industry among its competitors. Crosswalk Investment Advisory, Inc. has no ability to determine the fees and commissions on investment transactions and does not receive any compensation for transactions.

Charles Schwab and Co. also has an extensive no load, no transaction fee mutual fund program. These funds are used in client accounts most of the time, although other funds may be used. The instances where funds purchased may contain a front or back-end load or pay out fees such as 12b-1 fees would be if the client requested that fund specifically. Crosswalk Investment Advisory, Inc. and its advisors will not receive any compensation for these transactions. Some no-load funds charge a small redemption fee, depending on how long it was owned. Crosswalk Investment Advisory, Inc. and its advisors do not receive any compensation from these redemption fee.

Crosswalk Investment Advisory, Inc. does not receive any Soft Dollar Benefits.

Crosswalk Investment Advisory, Inc. has discretion to place trades, choose securities to be bought and sold and the amount of each, unless advised differently by the client. When purchasing or selling the same security for more than one client, and when applicable, Crosswalk Investment Advisory, Inc. may aggregate an order to ensure clients receive the same price. This helps ensure that no particular client is favored over another client. Shares are allocated in proportion to the size of the order placed for each account. If the order is partially filled, Crosswalk Investment Advisory, Inc. will normally allocate shares pro rata based on the original order but may increase or decrease the amount if it would be impractical to allocate a small number of shares among accounts involved in the transaction. Employees will not participate in trading done on an aggregate basis but may trade after client trades have been executed.



## **Item 13 Review of Accounts**

### **REVIEW OF ACCOUNTS**

Lee E. Kerr and Edward J. Plakans, both Investment Advisors, review the client accounts on a continuous basis. Overall investment management, market prospects, and individual security prospects are considered in the review process. Triggering factors which may affect an account review include changes in a client's investment objectives and risk tolerance, general economic factors, market activity, and individual security performance.

Clients will receive written account summaries from Crosswalk Investment Advisory, Inc. on a semi-annual basis, unless they request to receive one more often. These reports, which can be customized for the client, generally show information such as positions, account balance, and whether the account made or lost money. Year-end reports normally include tax-related information. These reports should be compared to the statement which the broker dealer such as Charles Schwab and Co. sends out on a monthly basis. The statement by Charles Schwab and Co. will show, among other things, investment positions, transactions which have occurred, income and expenses, and fees.

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

### **CLIENT REFERRALS AND OTHER COMPENSATION**

Crosswalk Investment Advisory, Inc. does not directly or indirectly compensate any person for client referrals.

## **Item 15 Custody**

### **CUSTODY**

Crosswalk Investment Advisory, Inc. is not considered to have custody of client funds but deemed to have "limited" custody when its fees are deducted by a qualified custodian.

Prior to having fees deducted via a qualified custodian, Crosswalk Investment Advisory, Inc will:

- (a) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian
- (b) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account.
- (c) Send the client an itemized invoice including any formulae 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.

## **Item 16 Investment Discretion**

### **INVESTMENT DISCRETION**

Crosswalk Investment Advisory, Inc. offers investment management services and has discretionary authority to manage securities accounts on behalf of clients. Clients will sign an Investment Advisory Agreement giving Crosswalk Investment Advisory, Inc. the ability to do so. Crosswalk Investment Advisory, Inc. will review, among other things, suitability, investment objectives, goals, and time frames with the clients. Clients may ask that we contact them before placing trades.

## **Item 17 Voting Client Securities**

### **VOTING CLIENT SECURITIES**

Crosswalk Investment Advisory, Inc. will accept authority to vote client securities, if the client wishes. Clients may at any time request to vote. Crosswalk Investment Advisory, Inc. will review proxy material and will vote, if necessary, in the best interest of the client. Clients may obtain a copy of proxy voting policies and procedures upon request.

## **Item 18 Financial Information**

### **FINANCIAL INFORMATION**

Crosswalk Investment Advisory, Inc. has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

## **Item 19 Requirements for State-Registered Advisers**

Lee E. Kerr earned a B.S. in Accountancy from Villanova University in 1981. He has worked for Crosswalk Investment Advisory, Inc. since 1999. Lee Kerr has also been actively engaged with Crosswalk Wealth Management Group, LLC since 2006 and currently spends approximately 10% of his time with this business.

Edward J. Plakans earned a B.A. in Business from Franklin & Marshall College in 1993. He has worked for Crosswalk Investment Advisory, Inc. since 1999.

Crosswalk Investment Advisory, Inc does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

No management person at Crosswalk Investment Advisory, Inc or Crosswalk Investment Advisory, Inc has been found liable in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

Neither Crosswalk Investment Advisory, Inc, nor its management persons, has any relationship or arrangement with issuers of securities.