



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

**Karl E. Elsass**

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**SUPERVISION**

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This Brochure Supplement provides information about Karl E. Elsass that is an accompaniment to the Disclosure Brochure for our firm, Cambridge Investment Research Advisors, Inc (CIRA). You should have received both of these together as a complete disclosure packet. If you did not receive our Disclosure Brochure or if you have questions about this Brochure Supplement for Karl E. Elsass, you are welcome to contact us through the information listed to the left.

Additional information about Karl E. Elsass is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Please be aware that not all states require registration and therefore your Advisor may not show up on the SEC website.

**Karl E. Elsass**

**MBA, CFP®, ChFC®, AIF®, CLU®**

CRD#: 2021682  
Year of Birth: 1970

**EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**Education**

The University of Akron, MBA - Business Administration, 1993

Bowling Green State University, BS - Business Administration & Finance, 1992

**Business Background**

IA Rep, Cambridge Investment Research Advisors, Inc.,  
March 2005 To Present

President, Elsass Financial Group, Inc.,  
July 2004 To Present

Reg Rep, Cambridge Investment Research, Inc.,  
September 2003 To Present

## **PROFESSIONAL DESIGNATIONS**

Your Advisor has achieved the designations below. If you would like additional information you may discuss with your advisor or visit the issuing entities website.

### **AIF®—Accredited Investment Fiduciary**

The AIF® Designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF® Designation, the individual must: (1) meet prerequisite criteria based on a combination of education, relevant industry experience, and/or ongoing professional development, (2) complete a training program, (3) successfully pass a comprehensive, closed-book final examination under the supervision of an approved proctor, and (4) agree to abide by the AIF® Designee Code of Ethics. In order to maintain the AIF® Designation, the individual must annually attest to being in compliance with the AIF® Designee Code of Ethics, and accrue and report a minimum of six hours of continuing education. The AIF® Designation is administered by the Center for Fiduciary Studies, the standards-setting body of fi360.

### **CFP®—Certified Financial Planner**

Individuals certified by CFP® Board have taken the step to demonstrate their professionalism by voluntarily submitting to the CFP® certification process that includes thorough education, examination, experience and ethical requirements. The CFP® is issued by the Certified Financial Planner Board of Standards, Inc. Pre-requisites require a designee to hold a Bachelor's degree (or higher) from an accredited college or university as well as three years of full-time personal financial planning experience. The designee is then required to complete a CFP® board registered program, or hold one of the following designations; CPA, ChFC, CLU, CFA, PH.D. in business or economics, Doctor of Business Administration, or Attorney's License. The designee is then required to complete the CFP® certification examination. In addition, the designee is required to complete 30 hours of continuing education every two years.

### **ChFC®—Chartered Financial Consultant**

Those with the ChFC® designation have been prepared to meet the advanced financial planning needs of individuals, professionals and small business owners. The ChFC® is issued by The American College. The American College is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools. The ChFC® is issued to professionals who have three years of full-time business experience with in the five years preceding the awarding of the designation. The designee is then required to complete nine (9) required and three (3) elective college-level courses from The American College. The required course of study includes insurance and financial planning, income taxation, planning for retirement needs, investments, and estate planning. The average study time to earn the ChFC® exceeds 450 hours. Designees must then pass a series of written examinations as well as attest and adhere to the The American College's Code of Ethics. In addition, the designee is required to complete 30 hours of continuing education every two years through The American College.

### **CLU®—Chartered Life Underwriter**

CLU® stands for Chartered Life Underwriter and is awarded by The American College. The course of study involved in this designation provides in-depth knowledge on the insurance needs of individuals, business owners and professional clients.

The CLU® curriculum focuses on the role of planning for insurance needs. Pre-requisites require the designee to have three (3) years of full-time business experience within the five (5) years preceding the awarding of the designation. Designees must complete eight (8) or more college-level courses, five (5) required and three (3) electives, representing an average study time of 400 hours. Topics for required courses include insurance and financial planning, life insurance law, estate planning, and planning for business owners and professionals. Elective courses include advanced topics such as income taxes, group benefits, retirement planning, and health insurance. Designees are required to complete 30 hours of continuing education every two (2) years.

## **DISCIPLINARY INFORMATION**

Karl E. Elsass has no legal or disciplinary events to report.

## **OTHER BUSINESS ACTIVITIES**

In addition to serving as your investment advisory representative Karl E. Elsass is engaged in the following business activities:

Board Member of any Organization - Wadsworth Tax Incentive Review Council

Insurance Agent/Sales - Karl Elsass

Real Estate Holdings Co - EFG Properties LLC

S Corp - Elsass Financial Group, Inc.

Trust Advisor of a Testamentary Trust - Elsass Financial Group

There are certain business activities in which an investment advisor representative can engage that present potential conflicts of interest. If applicable, additional disclosure relevant to your Advisor's outside business activities are outlined below. Please note that these are potential conflicts of interest and it is your Advisor's fiduciary duty to act in your best interest. If you have any questions about the disclosures please ask your Advisor as this is an opportunity to better understand your relationship and your Advisor's activities.

Your advisor is also a registered representative with Cambridge Investment Research, Inc., ("Cambridge") a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting as a registered representative of Cambridge, your advisor sells, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. Clients are not obliged to purchase or sell securities through Cambridge or their Advisor. However, if you choose to establish an account with your Advisor, it is important to understand that due to regulatory constraints, your Advisor must place all purchases and sales of securities products in commission-based accounts through Cambridge or other institutions approved by Cambridge.

The receipt of commissions creates an incentive for your Advisor to recommend those products for which they will receive a commission. Consequently, the objectivity of the advice rendered to clients could be biased. Your Advisor controls for this potential conflict of interest by discussing with clients their specific needs, the benefits and negatives of establishing a fee-based account through CIRA versus establishing a commission-based account through Cambridge Investment Research, Inc. and also the compensation arrangements under the different scenarios.

Certain mutual fund companies, as outlined in the fund's prospectus, pay 12b-1 fees. 12b-1 fees are considered marketing or distribution fees and come from fund assets, therefore, indirectly from client assets. With your managed accounts, 12b-1 (marketing and distribution) fees and trail earned will be credited to your account at the clearing firm whenever possible. When 12b-1 fees and trails are received by your Advisor Representative in his/her capacity as Registered Representative of Cambridge, the investment advisory fee will be lowered, or offset by that amount.

Your Advisor is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, your Advisor will receive commissions for selling insurance and annuity products. Clients can choose any independent insurance agent and insurance company to purchase insurance products and are not obligated to purchase insurance products through your Advisor. Regardless of the insurance agent selected, the insurance agent or agency receives normal commissions from the sale. The receipt of compensation and other potential incentive benefits creates an incentive to recommend products to clients. At the time of any recommendations your Advisor will discuss the products, your needs and any compensation arrangements.

## **ADDITIONAL COMPENSATION**

In addition to the description of other business activities outlined above, some Advisors receive additional benefits from CIRA when assets are held through investment management platforms offered by CIRA, which may include CIRA's CAAP program(also described in CIRA's Disclosure Brochure). The benefits received are in addition to the advisory fees

received by your Advisor for serving as the investment advisor representative to the client's account. These benefits include but are not limited to discounts on performance reporting software and participation in conferences.

Certain product sponsors provide your Advisor with economic benefits as a result of your Advisor's recommendation or sale of the product sponsors' investments. The economic benefits received can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses, and tools to assist your Advisor in providing various services to clients. These economic benefits may be received directly by your Advisor or indirectly through CIRA and/or Cambridge Investment Research, Inc. who have entered into specific arrangements with product sponsors. These economic benefits could influence your advisor to recommend certain products/programs over others. Please review the CIRA and Cambridge Revenue Sharing Disclosure located at [www.cir2.com](http://www.cir2.com) for further information. It is also available upon request.

In addition, your Advisor is eligible to participate in the Equity Participation Plan due to their affiliation as a registered representative of CIR. This can influence your Advisor's decision to be affiliated with Cambridge Investment Research, Inc. and/or CIRA.

Your Advisor's investment advisory activities are supervised by Susan Vargason. Susan Vargason monitors the recommendations provided by your Advisor and any transactions that are executed in your advisory accounts. Supervision is conducted through electronic reporting as well as personal communications and visits with your Advisor.