



CHESAPEAKE FINANCIAL ADVISORS

401 WASHINGTON AVE., STE. 804

TOWSON, MD 21204

P 410-823-5442 F 410-823-5443

INVEST@PEAKEADVISORS.COM

WWW.PEAKEADVISORS.COM

Firm Brochure

(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of Chesapeake Financial Advisors. If you have any questions about the contents of this brochure, please contact us at: 410-823-5442, or by email at: invest@peakeadvisors.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 Chesapeake Financial Advisors is available on the SEC's website at www.adviserinfo.sec.gov

December 31, 2013

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

None.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 410-823-5442 or by email at: invest@PeakeAdvisors.com.

Table of Contents

Material Changes	i
Annual Update	i
Material Changes since the Last Update.....	i
Full Brochure Available	i
Advisory Business	1
Firm Description	1
Principal Owners.....	2
Types of Advisory Services	2
Tailored Relationships	2
Managed Assets	2
Types of Agreements	2
Financial Planning Agreement	2
Investment Advisory Services Agreement.....	3
Retainer Agreement.....	3
Hourly Planning Engagements.....	Error! Bookmark not defined.
Asset Management	3
Termination of Agreement	4
Fees and Compensation	4
Description	4
Fee Billing.....	5
Other Fees	6
Past Due Accounts and Termination of Agreement	6
Performance-Based Fees	6
Sharing of Capital Gains	6
Types of Clients	7
Description	7
Methods of Analysis, Investment Strategies and Risk of Loss	7
Methods of Analysis	7
Investment Strategies	7
Risk of Loss.....	7

Disciplinary Information.....	8
Legal and Disciplinary	8
Other Financial Industry Activities and Affiliations.....	8
Financial Industry Activities.....	8
Affiliations	9
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading....	10
Code of Ethics.....	10
Participation or Interest in Client Transactions.....	10
Personal Trading	10
Brokerage Practices	10
Selecting Brokerage Firms	10
Best Execution	11
Soft Dollars	11
Order Aggregation.....	11
Review of Accounts	11
Periodic Reviews.....	11
Review Triggers.....	11
Regular Reports	11
Client Referrals and Other Compensation.....	12
Incoming Referrals	12
Referrals to Other Professionals	12
Custody	12
Account Statements	12
Performance Reports	12
Investment Discretion	12
Discretionary Authority for Trading	12
Limited Power of Attorney	12
Voting Client Securities.....	13
Proxy Votes	13
Financial Information	13
Financial Condition	13

Business Continuity Plan.....	13
General	13
Disasters.....	13
Alternate Offices	13
Loss of Key Personnel	14
Information Security Program	14
Information Security	14
Privacy Notice	14
Brochure Supplement (Part 2B of Form ADV)	15
Education and Business Standards.....	15
Professional Certifications.....	15
Tom Taylor, CPA/PFS - Principal	15
Tim Mudd - Principal	16

Advisory Business

Firm Description

Chesapeake Financial Advisors was founded in 1998. There are currently three employees including one Certified Public Accountant/Personal Financial Specialist, one Investment Advisor and one administrative staff. The firm is registered with the States of Maryland and Virginia as a Registered Investment Advisor.

Chesapeake Financial Advisors provides personalized confidential financial planning and investment management to individuals, families and their related entities, pension and profit sharing plans, trusts, estates, charitable organizations and family businesses. Chesapeake Financial Advisors works with clients to define financial objectives and to develop strategies for reaching those objectives, some of which may include: determination of financial objectives, identification of financial problems, cash flow and budget management, tax planning, debt reduction planning, insurance review, investment management, education funding, retirement planning, risk exposure review, charitable goals, special needs planning, family business succession issues, fringe benefits, estate planning and issues specific to the client.

Chesapeake Financial Advisors is strictly a fee-only financial planning and investment management firm. The firm's compensation is solely from fees paid directly by clients. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. Investment advice is provided on a discretionary or non-discretionary basis. Chesapeake Financial Advisors does not act as a custodian of client assets. The client always maintains asset control. Chesapeake Financial Advisors places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation may be provided to the client, often in the form of an Investment Policy Statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone at 410-823-5442, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Tom Taylor is a 51% owner and Tim Mudd is a 49% owner of Thoma Capital Management LLC dba Chesapeake Financial Advisors.

Types of Advisory Services

The primary type of advisory service offered by Chesapeake Financial Advisors is financial planning. Chesapeake Financial Advisors also provides investment supervisory services, also known as asset management services and furnishes investment advice through an on-going financial planning relationship.

In performing its services, Chesapeake Financial Advisors is not required to verify any information received from the client or from the clients other professionals. On more than an occasional basis, Chesapeake Financial Advisors furnishes advice to clients on matters not involving securities, such as financial planning matters and taxation issues. Each client is advised that it remains his/her responsibility to promptly notify Chesapeake Financial Advisors when there is any change in his/her financial situation and/or financial objectives for the purpose of reviewing, evaluating, or revision of previous recommendations and/or services.

Tailored Relationships

At Chesapeake Financial Advisors, advisory services are tailored to the individual needs of clients. Client goals and objectives are clarified in meetings and via correspondence, and are used to determine the course of action for each individual client. The goals and objectives for each client are documented in our client relationship management system and Investment Policy Statement that is documented, reviewed and signed by each Client. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Managed Assets

As of December 31, 2013, Chesapeake Financial Advisors manages approximately \$49 million in assets for approximately 125 clients. Approximately \$45 million is managed on a discretionary basis.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Agreement

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of

retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

General investment advice and non-specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client. At the completion of the financial plan, clients may enter into an investment advisory services agreement with Chesapeake Financial Advisors to implement the plan.

Investment Advisory Services Agreement

Most clients choose to have Chesapeake Financial Advisors manage their assets in order to obtain ongoing in-depth advice and financial planning. All aspects of the client's financial affairs are reviewed. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Advisory Services Agreement is provided to the client in writing prior to the start of the relationship. An Investment Advisory Services Agreement includes: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning, as well as the implementation of recommendations within each area.

Retainer Agreement

In some circumstances, a Retainer Agreement is executed in lieu of an Advisory Service Agreement when it is more appropriate to work on a fixed-fee basis.

Asset Management

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. Chesapeake Financial Advisors does not receive a fee for stock and bond trades. Chesapeake Financial Advisors does not receive any compensation, in any form, from fund companies or brokerage firms.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying Chesapeake Financial Advisors in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, Chesapeake Financial Advisors will refund any unearned portion of the advance payment.

Chesapeake Financial Advisors may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Chesapeake Financial Advisors will refund any unearned portion of the advance payment.

Fees and Compensation

Description

Chesapeake Financial Advisors bases its fees on a percentage of assets under management, hourly charges, fixed fees or retainer. All fees are negotiable.

Financial Planning

The fee for a financial plan is predicated upon the facts known at the start of the engagement. Chesapeake Financial Advisors' financial planning fee is \$2,500 or a fixed fee calculated based on the complexity of the financial plan and time anticipated to be expended on a financial plan and is negotiable. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement based on an hourly rate of \$200, or a fixed fee calculated based on the complexity of the financial plan and time anticipated to be expended on a financial plan and is negotiable. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face quarterly meetings may be scheduled as necessary for up to one year. Follow-on implementation work is billed separately at the rate of \$200 per hour, or \$500 per quarter or covered under the Investment Advisory Services Agreement.

Investment Advisory Services

The fees for Investment Advisory Services are structured as a percentage of assets under management subject to a \$2,000 minimum annual fee.

The annual Investment Advisory Services Agreement fee is based on a percentage of the investable assets according to the following schedule:

Total Market Value of Assets Under Management/Annual fee %

First \$500,000, annual fee % = 1.50%

Next \$500,000, annual fee % = 1.25%

Over \$1,000,000, annual fee % = 0.75%

Fixed income portfolios, annual fee % = 0.70%

Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Investment Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. Investment Advisory Service Agreement fees charged on a percentage of assets are payable quarterly in advance of services rendered based upon the most recent quarter end market value of assets under management, as determined by the independent custodian or broker dealer. The first quarter fee shall be prorated from the date of the signing of the agreement to the end of the first managed quarter. These fees may be automatically deducted from the client's account every quarter, if the client so chooses this payment option.

Investment Advisory Service Agreement may be terminated by client upon written notice within five (5) business days from the date the Agreement with Chesapeake Financial Advisors is signed, and all fees will be refunded. Thereafter, either Chesapeake Financial Advisors or client may terminate the Agreement upon written notice to the other, and a prorated portion of fees pre-paid but unearned for the current quarter will be refunded where applicable. Clients are responsible to pay for services rendered up to and including the date in which notice of termination is received by Chesapeake Financial Advisors.

Retainer Agreements

The annual fee for a Retainer Agreement is \$2,500.

Fee Billing

Clients using Comprehensive Financial Planning services or Retainer based services may choose to have fees deducted quarterly from a designated brokerage account at their qualified custodian to facilitate billing, or to be invoiced quarterly. The client must consent in advance to direct debiting of their investment account for financial planning fees.

Investment management fees are billed quarterly, in advance, meaning that we invoice you before the three-month billing period has begun. Payment in full is

expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. We will direct debit the investment account no sooner than seven days from the date of the invoice.

Fees for financial plans are billed 50% in advance, with the balance due upon completion of the financial plan.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds, stocks, bonds and exchange-traded funds. These transaction charges are usually relatively small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.50% for their services. Mutual fund fees also include transaction charges for the purchase or sale of securities within the fund and may charge other fees as disclosed in the fund prospectus. These fees are in addition to the fees paid by you to Chesapeake Financial Advisors.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

Chesapeake Financial Advisors reserves the right to stop work on any account that is more than 60 days overdue. In addition, Chesapeake Financial Advisors reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Chesapeake Financial Advisors's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 60 days.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Chesapeake Financial Advisors does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows Chesapeake Financial Advisors to participate in the growth of the client's wealth. This also means that our fees can decline when the client's portfolio declines in value.

Types of Clients

Description

Chesapeake Financial Advisors generally provides investment advice to individuals, families and their related entities, pension and profit sharing plans, trusts, estates, charitable organizations and family businesses. Client relationships vary in scope and length of service. Chesapeake Financial Advisors does not impose a minimum dollar value of assets or other condition for opening or maintaining an account.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods at Chesapeake Financial Advisors include fundamental analysis. The main sources of information include Morningstar reports, fund prospectuses, S&P reports, Argus reports, financial newspapers and magazines, research materials prepared by others, review of company and mutual fund websites, filings with the Securities and Exchange Commission, and annual reports. Employees of Chesapeake Financial Advisors also may attend on- and off-site visits with fund and portfolio managers, conference calls, and industry conferences.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation. We may use passively-managed index and exchange-traded funds when appropriate for the client and actively-managed funds, dividend and non-dividend paying stocks, and individual corporate and municipal bonds where there are opportunities to make a difference by security selection. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives, income needs and tax situation stated by the client during consultations. The client may change these objectives at any time. The client's goals and objectives are recorded during meetings and via correspondence with the client. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy. Current client relationships may exist whose investment strategies are different than expressed here.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. However, as with all investments, clients face some level of risk including the following:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present activities.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Chesapeake Financial Advisors does not participate in any other industry business activities.

Affiliations

Chesapeake Financial Advisors has arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

Chesapeake Financial Advisors recommends but does not require that Investment Management accounts utilize the custodial and brokerage services of Charles Schwab & Co. ("Schwab"). Schwab is a nationally recognized discount broker-dealer which offers quality custody, record keeping and reporting services. Chesapeake Financial Advisors has the ability to receive client information from Schwab through computer down/uploading and access to Schwab's proprietary investment management website, in order to facilitate Chesapeake Financial Advisors in its ongoing review of clients' accounts. Schwab also offers clients the ability to have their investment management fee automatically deducted from the account, thus alleviating the client's need to write a check or give specific instructions at each payment period.

Chesapeake Financial Advisors refers clients that need insurance advice and insurance products to Apple Insurance Services, Inc. Chesapeake Financial Advisors does not receive any compensation for these referrals and offers the referral only to help facilitate the client's need for such services. The majority shareholder of Apple Insurance Services, Inc. is a client of Chesapeake Financial Advisors. Chesapeake Financial Advisors also serves as investment advisor to the Apple Insurance Services, Inc. 401(k) Plan.

Chesapeake Financial Advisors refers clients that need legal advice to Dilip B. Paliath, Esquire, a client of the firm. Chesapeake Financial Advisors does not receive any compensation for these referrals and offers the referral only to help facilitate the client's need for such services.

Chesapeake Financial Advisors refers clients that need legal advice to Roger J. Sullivan, Esquire, a client of the firm. Chesapeake Financial Advisors does not receive any compensation for these referrals and offers the referral only to help facilitate the client's need for such services.

Chesapeake Financial Advisors refers clients that need pension/retirement plan consulting services or Third Party Administration services to Coastal Pension Services, Inc. Chesapeake Financial Advisors does not receive any compensation for these referrals and offers the referral only to help facilitate the client's need for such services.

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

Code of Ethics

The employees of Chesapeake Financial Advisors have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The employees of Chesapeake Financial Advisors have committed to a Code of Ethics and Fiduciary Oath as outlined by the National Association of Personal Financial Advisors (NAPFA). The key points are: putting the clients' interest first, objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure, and professionalism.

Participation or Interest in Client Transactions

Chesapeake Financial Advisors and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Chesapeake Financial Advisors "Policies & Procedures Manual."

Personal Trading

The Chief Compliance Officer of Chesapeake Financial Advisors is Tim Mudd. He reviews all employee trades each quarter. His trades are reviewed by Tom Taylor. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small stock, bond, mutual fund or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

Chesapeake Financial Advisors does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. Chesapeake Financial Advisors recommends custodians based on the proven integrity and financial responsibility of the firm, best execution of orders at reasonable commission rates, and the quality of client service.

Chesapeake Financial Advisors recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab & Co., Inc. Chesapeake Financial Advisors does not receive fees or commissions from any of these arrangements, although Chesapeake Financial Advisors may benefit from electronic delivery of client information, electronic trading platforms and other services provided by custodians for the benefit of clients. Chesapeake Financial Advisors may also benefit from other services provided by custodians, such as research, continuing education, and practice management advice. These benefits are standard in a

relationship with these custodians and are not in return for client recommendations or transactions.

Best Execution

Chesapeake Financial Advisors reviews the execution of trades at each custodian annually. The review process is documented in the Chesapeake Financial Advisors Policy & Procedures Manual. Trading fees charged by the custodians are also reviewed on an annual basis. Chesapeake Financial Advisors does not receive any portion of the trading fees.

Soft Dollars

Chesapeake Financial Advisors does not receive soft dollar benefits from the custodian to whom we recommend clients.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit. However, when more than one account is trading a particular stock or ETF on the same day, block trading may be used to get identical pricing on the trades.

Review of Accounts

Periodic Reviews

Account reviews are performed at least quarterly by advisors Tom Taylor, CPA/PFS, Principal and Tim Mudd, Principal. Account reviews are performed more frequently when market conditions dictate or as requested by the client.

Review Triggers

A review may be triggered by client request, changes in client's goals or objectives, changes in market condition, new information about an investment, changes in tax laws, or other important changes.

Regular Reports

Written reports are sent to clients quarterly. The reports may consist of an individualized letter summarizing the results for the quarter and our general thoughts on the economy, a statement of holdings from our portfolio accounting software, a Morningstar "Snapshot" report or other such portfolio reports, asset allocation analysis, tax-related information, updates to financial plan reports, portfolio graphs, or other reports as needed.

Client Referrals and Other Compensation

Incoming Referrals

Chesapeake Financial Advisors has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals to Other Professionals

Chesapeake Financial Advisors does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Chesapeake Financial Advisors.

Investment Discretion

Discretionary Authority for Trading

Chesapeake Financial Advisors accepts discretionary authority to manage securities accounts on behalf of clients. Chesapeake Financial Advisors has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, if discretionary authority or a limited power of attorney has not been given, Chesapeake Financial Advisors consults with the client prior to each trade to obtain concurrence. Discretionary trading authority facilitates placing trades in clients' accounts on their behalf so that we may promptly implement the investment policy that they have approved. In most cases, clients are provided with an opportunity for review and discussion prior to implementation of recommendations.

Limited Power of Attorney

Clients must sign a limited power of attorney before Chesapeake Financial Advisors is given discretionary authority. The limited power of attorney is included in the qualified custodian's account application for our main custodians. For accounts not held with our main custodians, clients may sign a separate limited power of attorney document giving discretionary authority to Chesapeake Financial Advisors.

Voting Client Securities

Proxy Votes

Unless the client designates otherwise, Chesapeake Financial Advisors votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. A copy of Chesapeake Financial Advisor's proxy voting policy is available upon request.

Financial Information

Financial Condition

Chesapeake Financial Advisors does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Chesapeake Financial Advisors does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

Business Continuity Plan

General

Chesapeake Financial Advisors has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived on and offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location. We maintain a second office location at 8160 Maple Lawn Blvd., Ste. 200 Columbia, MD 20759 in the event the main office is unavailable.

Loss of Key Personnel

In the event of Tom Taylor's or Tim Mudd's serious disability or death, Chesapeake Financial Advisors has funded insurance to ensure the continuation of the firm in the absence of one of the two Principals.

Information Security Program

Information Security

Chesapeake Financial Advisors maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

Chesapeake Financial Advisors is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies. We use this information to help you meet your personal financial goals.

With client permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. Clients may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone at 410-823-5442, mail, fax, email, or in person. With client permission, we share a limited amount of information about them with their brokerage firm in order to execute securities transactions on their behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and client personal records as permitted by law.

Personally identifiable information about a client will be maintained while they are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify clients in advance if our privacy policy is expected to change.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

Chesapeake Financial Advisors requires that any employee whose function involves determining or giving investment advice to clients must be a graduate of a four year college and must:

1. Have at least three years' experience in banking, insurance, investments, accounting, or financial planning;
 2. Hold the Series 65 Investment Adviser Representative license or its equivalent;
 3. Subscribe to the Code of Ethics of the National Association of Personal Financial Advisors (NAPFA);
 4. Be properly licensed for all advisory activities in which they are engaged.
-

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Public Accountant (CPA): Certified Public Accountants are licensed by the individual State that the CPA practices. CPA certification requirements:

- Bachelor's degree from an accredited college or university earning a minimum of 150 semester hours or their equivalent in approved-accounting curriculum.
- Completion of the Uniform CPA Examination with a passing grade of at least 75% on all parts of the exam.
- Successful completion of the Professional Ethics exam offered by the American Institute of Certified Public Accountants.
- Continuing education requirement of at least 80 hours every two years and four additional hours in ethics related education.

Personal Financial Specialist (PFS): Credential handed out by the American Institute of Certified Public Accountants (AICPA) to valid CPA holders who have demonstrated their knowledge and expertise in personal financial planning.

Tom Taylor, CPA/PFS - Principal

Educational Background:

- Date of birth: 08/11/1971
- Mount Saint Mary's University 1989 – 1993, BS Accounting and Finance
- Certified Public Accountant, Maryland 1996

Business Experience:

- Legg Mason, 05/96 – 07/98 – Investment Banking Analyst
- Ernst & Young LLP, 06/93 – 05/96 – Senior Accountant

Disciplinary Information: None

Other Business Activities: Tom may provide tax preparation, accounting and payroll services to clients and non-clients of Chesapeake Financial Advisors through Taylor & Company LLC, a Maryland Limited Liability Company and Certified Public Accounting firm. Mr. Taylor is a majority owner of Taylor & Company LLC with his wife Amy M. Taylor, CPA. Any clients of Chesapeake Financial Advisors that wish to take advantage of this service are billed separately by Taylor & Company LLC. Mr. Taylor spends between 300 – 400 hours annually on these other activities.

Additional Compensation: None

Supervision:

Tom Taylor is supervised by Tim Mudd, Principal. He reviews Tom's work through frequent office interactions. He also reviews Tom's activities through our client relationship management system.

Tim Mudd's contact information:

410-823-5442 tmudd@peakeadvisors.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Tim Mudd - Principal

Educational Background:

- Date of birth: 02/11/1971
- Mount Saint Mary's University 1989 – 1993, BS Economics and Finance

Business Experience:

- T. Rowe Price Associates, 01/98 – 03/99, Statistician
- Croft-Leominster, Inc, 08/93 – 01/98, Asst. Research Analyst

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Tim Mudd is supervised by Tom Taylor, Principal. He reviews Tim's work through frequent office interactions. He also reviews Tim's activities through our client relationship management system.

Tom Taylor's contact information:

410-823-5442 ttaylor@peakeadvisors.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None