

**FORM ADV PART 2A  
DISCLOSURE BROCHURE**

**CLOUD INVESTMENTS, LLC**

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This brochure provides information about the qualifications and business practices of Cloud Investments, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 256-715-0094 or lauren@cloudfinancial.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 Cloud Investments, LLC (IARD #281915) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**AUGUST 29, 2023**

## **Item 2: Material Changes**

### **Annual Update**

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

### **Material Changes since the Last Update**

This update is in accordance with the required annual update for Registered Investment Advisors. Since the last filing of this brochure on January 30, 2023, the following changes have occurred:

- Item 4 has been updated to reflect the most recent calculation of assets under management.
- Item 12 has been updated to add Fidelity Investments as a custodian.

### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

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## Item 4: Advisory Business

### Firm Description

Cloud Investments, LLC (Cloud Investments), an Alabama Limited Liability Company, was formed and became a registered investment advisory firm in 2015. In February 2018 the firm was registered with the Securities and Exchange Commission (SEC).

Cloud Investments is 100% owned by Don P. Cloud.

Cloud Investments provides investment advisory services in the areas of employee benefits, retirement, and cash flow planning. The firm provides advice with respect to limited types of investments including: stocks, bonds, mutual funds, ETFs (exchange traded funds) as well as others.

### Types of Advisory Services

#### ASSET MANAGEMENT

Cloud Investments offers discretionary direct asset management services to advisory clients. Cloud Investments will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The Client will authorize Cloud Investments discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

#### ERISA PLAN SERVICES

Cloud Investments provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit-sharing plans, cash balance plans, and deferred compensation plans as a 3(21) advisor:

***Limited Scope ERISA 3(21) Fiduciary.*** Cloud Investments may serve as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions. As an investment advisor Cloud Investments has a fiduciary duty to act in the best interest of the Client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using Cloud Investments can help the plan sponsor delegate liability by following a diligent process.

#### 1. Fiduciary Services are:

- Provide investment advice to the Client about asset classes and investment options available for the Plan in accordance with the Plan's investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. Cloud Investments acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide investment advice to the Plan Sponsor with respect to the selection of a qualified default investment option for participants who are automatically enrolled in the Plan or

who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.

- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment options available to them under the Plan. Client understands Cloud Investments's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, Cloud Investments is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. Cloud Investments will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

Cloud Investments may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Cloud Investments and Client.

3. Cloud Investments has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to Cloud Investments on the ERISA Agreement. Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

#### SEMINARS AND WORKSHOPS

Cloud Investments holds seminars and workshops to educate the public on different types of investments and the different services they offer. The seminars are educational in nature and no specific investment or tax advice is given.

## Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each client are documented in our client files. Investment strategies 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 written client consent.

## Wrap Fee Programs

Cloud Investments does not sponsor a wrap fee program.

## Client Assets under Management

Cloud Investments has the following assets under management:

| Discretionary Amounts: | Non-discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| \$224,000,000          | \$0                        | 08/08/2023       |

## Item 5: Fees and Compensation

### Method of Compensation and Fee Schedule

#### ASSET MANAGEMENT

Cloud Investments offers discretionary direct asset management services to advisory Clients. Cloud Investments charges an annual investment advisory fee based on the total assets under management as follows:

| Assets Under Management   | Annual Fee | Monthly Fee |
|---------------------------|------------|-------------|
| \$0 - \$250,000           | 1.80%      | 0.15%       |
| \$250,001 - \$499,999     | 1.70%      | 0.14%       |
| \$500,000 - \$999,999     | 1.60%      | 0.13%       |
| \$1,000,000 - \$1,999,999 | 1.50%      | 0.12%       |
| Over \$2,000,000          | 1.35%      | 0.11%       |

This is a tiered or breakpoint fee schedule, the entire portfolio is charged the same asset management fee. For example, a Client with \$750,000 under management would pay \$12,000 on an annual basis.  $\$750,000 \times 1.60\% = \$12,000$ .

The annual fee may be negotiable depending upon the amount of assets and client relationship. Cloud Investments, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.) Fees are billed monthly in arrears based on an average daily balance of the account for the previous month. The calculation for the average daily balance is based on the formula  $(A/D) \times (F/P)$ .

A = the sum of the daily balances in the billing period

D = number of days in the billing period

F = annual management fee

P = number of billing periods per year (i.e. quarterly or monthly)



**For example (based on monthly billing period):** the first step taken using the average-daily-balance calculation method would be to take the average of the values of the client's account over the course of the entire month. For instance 25 days at \$1 million plus six days at \$500,000 averages out to approximately \$903,226. Based on the formula  $(A/D) \times (F/P)$ , the example would be:  $(903,226) \times (.016/12) = \$1,204.30$ .

Fees for partial months are pro-rated. Monthly advisory fees will be deducted from the clients' account by the custodian with prior written approval from the client or will be paid direct to Cloud Investments. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. For accounts closed mid-month, Cloud Investments will be entitled to a pro rata fee for the days service was provided in the final month. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said fees.

#### ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will not exceed 1%. The annual fee is negotiable and may be charged as a percentage of the Included Assets. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets). If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the billing cycle, Cloud Investments shall be entitled to a prorated fee based on the number of days during the fee period services were provided or Client will be due a prorated refund of fees for days services were not provided in the billing cycle.

The fee schedule, which includes compensation of Cloud Investments for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. Cloud Investments does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, Cloud Investments will disclose this compensation, the services rendered, and the payer of compensation. Cloud Investments will offset the compensation against the fees agreed upon under the Agreement.

#### SEMINARS AND WORKSHOPS

Cloud Investments holds workshops to educate the public on different types of investments and the different services they offer. The seminars and workshops are offered at no cost, however the cost of materials may be up to \$50.

#### **Client Payment of Fees**

Investment management fees are billed monthly in arrears, meaning we bill you after the month period has started. 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.

Fees for ERISA services will either be deducted from Plan assets or paid directly to Cloud Investments. The Client must consent in advance to direct debiting of their investment account.

### **Additional Client Fees Charged**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include mutual fund transactions fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations).

The annual fee may be negotiable depending upon the amount of assets and client relationship.

For more details on the brokerage practices, see Item 12 of this brochure.

### **External Compensation for the Sale of Securities to Clients**

Neither Cloud Investments nor any of its investment advisor representatives receive any external compensation for the sale of securities to clients

### **Prepayment of Client Fees**

Fees for ERISA 3(21) and/or 3(38) services may be billed in advance.

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

### **Sharing of Capital Gains**

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

Cloud Investments does not use a performance-based fee structure because of the 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.

## **Item 7: Types of Clients**

### **Description**

Cloud Investments generally provides investment advice to individuals. Client relationships vary in scope and length of service.

### **Account Minimums**

Cloud Investments does not require a minimum of to open an account.

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

### **Methods of Analysis**

Security analysis methods may include fundamental analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

The main sources of information include financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

### **Investment Strategy**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement or Risk Tolerance that documents their objectives and their desired investment strategy.

### **Security Specific Material Risks**

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Cloud Investments:

- *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.
- *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.
- *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.

## **Item 9: Disciplinary Information**

### **Criminal or Civil Actions**

Cloud Investments and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

Cloud Investments and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

Cloud Investments and its management have not been involved in legal or disciplinary events related to past or present investment clients.

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

### **Broker-Dealer or Representative Registration**

Neither Cloud Investments nor any of its employees are affiliated with a broker-dealer.

### **Futures or Commodity Registration**

Neither Cloud Investments nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Managing member Don Cloud is also a licensed insurance agent. Approximately 50% of his time is spent in this practice. From time to time, he will offer clients products and/or services from these activities.

This represents a conflict of interest because it gives an incentive to recommend products and services based on the commission and/or fee amount received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the client first and the clients are not required to purchase any products or services. Clients have the option to purchase these products or services through another insurance agent of their choosing.

### **Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

Cloud Investments does not select or recommend other investment advisors.

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

### **Code of Ethics Description**

The employees of Cloud Investments have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of Cloud Investments employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of Cloud Investments. The Code reflects Cloud Investments and its supervised persons' responsibility to act in the best interest of their client.

One area which the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

Cloud Investments policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of Cloud Investments may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Cloud Investments Code is based on the guiding principle that the interests of the client are the top priority. Cloud Investments' officers, directors, advisors, and other employees have a fiduciary duty to the clients and must diligently perform that duty to maintain the trust and confidence of the clients. When a conflict arises, it is the firm's obligation to put the client's interests over the interests of either employees or the company.

The Code applies to “access” persons. “Access” persons are employees who have access to non-public information regarding any clients’ purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

Cloud Investments will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

Cloud Investments and its employees do not recommend to clients securities in which we have a material financial interest.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Cloud Investments and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Cloud Investments with copies of their brokerage statements.

The Chief Compliance Officer of Cloud Investments is Lauren Borden. She reviews all employee trades quarterly. 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 over employee transactions.

### **Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Cloud Investments does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Cloud Investments with copies of their brokerage statements.

## **Item 12: Brokerage Practices**

### **Factors Used to Select Broker-Dealers for Client Transactions**

Cloud Investments will recommend the use of a particular broker-dealer based on their duty to seek best execution for the client, meaning they have an obligation to obtain the most favorable terms for a client under the circumstances. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. Cloud Investments will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. Cloud Investments relies on its broker to provide its execution services at the best prices

available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Cloud Investments. Cloud Investments does not receive any portion of the trading fees. Cloud Investments will recommend the use of Fidelity Investments and TD Ameritrade Institutional.

Cloud Investments participates in the TD Ameritrade Institutional program. TD Ameritrade is an independent SEC-registered broker-dealer and is not affiliated with Cloud Investments. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Cloud Investments receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14)

Cloud Investments may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the client's choosing. Cloud Investments will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. Cloud Investments relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Cloud Investments.

- *Directed Brokerage*

In circumstances where a client directs Cloud Investments to use a certain broker-dealer, Cloud Investments still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: Cloud Investments' inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among clients and conflicts of interest arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*

The firm does not have any soft dollar arrangements.

### **Aggregating Securities Transactions for Client Accounts**

Cloud Investments is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Cloud Investments. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

## **Item 13: Review of Accounts**

### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Account reviews are performed quarterly by Investment Advisor Representatives of Cloud Investments. Account reviews are performed more frequently when market conditions dictate.

### **Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

### **Content of Client Provided Reports and Frequency**

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by Cloud Investments' custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs.

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

### **Economic benefits provided to the Advisory Firm from External Sources and Conflicts of Interest**

As disclosed under Item 12 above, Cloud Investments participates in TD Ameritrade's institutional customer program and Cloud Investments may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Cloud Investments' participation in the program and the investment advice it gives to its Clients, although Cloud Investments receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Cloud Investments participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Cloud Investments by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by Cloud Investments' related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Cloud Investments but may not benefit its Client accounts. These products or services may assist Cloud Investments in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Cloud Investments manage and further develop its business enterprise. The benefits received by Cloud Investments or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to Clients, Cloud Investments endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by Cloud Investments or its related

persons in and of itself creates a conflict of interest and may indirectly influence the Cloud Investments' choice of TD Ameritrade for custody and brokerage services.

### **Advisory Firm Payments for Client Referrals**

Cloud Investments may, from time to time, enter into agreements with individuals and organizations ("referring party") that refer Clients to Cloud Investments in exchange for compensation. This activity will either be considered an endorsement or testimonial, depending on if the referring party is a Client of Cloud Investments. For all Clients introduced by a referring party, Cloud Investments may pay that referring party a fee pursuant to a previously executed agreement. While the specific terms of each agreement may differ, the compensation will be based upon Cloud Investments's engagement of new Clients and is calculated using a fixed fee, or a varying percentage of the fees paid to Cloud Investments by such Clients. Any such fee shall be paid solely from Cloud Investments's investment management fee and shall not result in any additional charge to the Client. Cloud Investments ensures that referring parties are registered with all appropriate jurisdictions or exempt from registration as investment advisers or investment adviser representatives.

Each referred Client to Cloud Investments under such an arrangement will receive a copy of this brochure and a written disclosure clearly and prominently disclosing if the referring party is a current Client or investor, the compensation that will be paid by Cloud Investments to the referring party and any material conflicts of interest. The referring party is required provide this disclosure at the time the endorsement or testimonial is disseminated and will obtain the Client's signature acknowledging receipt of Cloud Investments's disclosure brochure and the written disclosure

## **Item 15: 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. Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by Cloud Investments.

Cloud Investments is deemed to have constructive custody solely because advisory fees are directly deducted from client's account by the custodian on behalf of Cloud Investments.

## **Item 16: Investment Discretion**

### **Discretionary Authority for Trading**

Cloud Investments accepts discretionary authority to manage securities accounts on behalf of clients. Cloud Investments 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. Clients are allowed to place restrictions on their account for specific investments. These restrictions will be discussed and recorded on the Client Agreement when setting up accounts. For non-discretionary accounts, Cloud Investments consults with the client prior to each trade to obtain concurrence. The client approves the custodian to be used and the commission rates paid to the custodian. Cloud Investments does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.



## **Item 17: Voting Client Securities**

### **Proxy Votes**

Cloud Investments does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, Cloud Investments will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

## **Item 18: Financial Information**

### **Balance Sheet**

A balance sheet is not required to be provided because Cloud Investments does not serve as a custodian for client funds or securities and Cloud Investments does not require prepayment of fees of more than \$1200 per client and six (6) months or more in advance.

### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

Cloud Investments has no financial condition likely to impair our ability to meet commitments to clients.

### **Bankruptcy Petitions during the Past Ten Years**

Neither Cloud Investments nor its management has had any bankruptcy petitions in the last ten years.

Item 1 Cover Page  
**SUPERVISED PERSON BROCHURE**  
FORM ADV PART 2B

Don P. Cloud

**CLOUD INVESTMENTS, LLC**

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Fax: 256-585-6079

don@cloudfinancial.com  
www.cloudfinancial.com

This brochure supplement provides information about Don P. Cloud and supplements the Cloud Investments Financial Advisory, LLC's brochure. You should have received a copy of that brochure. Please contact Don P. Cloud if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Don P. Cloud (CRD#5362093) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**AUGUST 29, 2023**

## **Brochure Supplement (Part 2B of Form ADV)**

### **Supervised Person Brochure**

#### **Principal Executive Officer - Don P. Cloud**

- Year of birth: 1972

#### **Item 2 Educational Background and Business Experience**

##### Educational Background:

- Chattanooga State Technical Community College; Courses Studied-Business Management; Attended 1990-94

##### Business Experience:

|                   |   |
|-------------------|---|
| 01/2016 – Present | Cloud Investments, LLC<br>Managing Member/Investment Advisor Representative |
| 01/2009 - Present | Don Cloud, Sole Proprietor, dba Cloud Properties<br>Property Manager        |
| 01/2001 – Present | Cloud Financial, Inc.<br>President/Insurance Agent                          |
| 03/2015 – 01/2016 | Precision Capital Management<br>Investment Advisor Representative           |
| 02/2008 – 03/2015 | Horter Investment Management LLC<br>Investment Advisor Representative       |
| 01/2012 – 12/2014 | Stalwart Capital, LLC<br>Registered Representative                          |
| 02/2010 – 08/2011 | Stalwart Capital, LLC<br>Registered Representative                          |
| 07/2007 – 02/2008 | Crown Capital Securities, L.P.<br>Registered Representative                 |

#### **Item 3 Disciplinary Information**

*Criminal or Civil Action:* None to report.

*Administrative Proceeding:* None to report.

*Self-Regulatory Proceeding:* None to report.

#### **Item 4 Other Business Activities**

Managing Member Don P. Cloud is also a licensed insurance agent. Approximately 50% of Mr. Cloud's time is spent in his insurance practice. From time to time, he will offer clients products and/or services in this capacity.

This represents a conflict of interest because it gives an incentive to recommend products and services based on the commission received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the client first and the clients are not required to purchase any products or services. Clients have the option to purchase these products or services through another insurance agent of their choosing.

Additionally, Mr. Cloud owns a rental property. He receives passive income from this rental property. There is no conflict of interest as there are no cross over clients.

**Item 5 Additional Compensation**

Mr. Cloud receives additional compensation in his capacity as an insurance agent, but he does not receive any performance based fees.

**Item 6 Supervision**

Don Cloud is supervised by Lauren Borden, Chief Compliance Officer. Mrs. Borden reviews Mr. Cloud's work through client account reviews and quarterly personal transaction reports, as well as face-to-face and phone interactions.

Mrs. Borden can be contacted at 256-715-0094 or by email at [lauren@cloudfinancial.com](mailto:lauren@cloudfinancial.com).

Item 1 Cover Page  
**SUPERVISED PERSON BROCHURE**  
FORM ADV PART 2B

Lauren J. Borden

**CLOUD INVESTMENTS, LLC**

**Office Address:**  
200 Clinton Avenue,  
Suite 1020  
Huntsville, AL 35801  
Tel: 256-715-0094  
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Lauren@cloudfinancial.com  
www.cloudfinancial.com

This brochure supplement provides information about Lauren J. Borden and supplements the Cloud Investments Financial Advisory, LLC's brochure. You should have received a copy of that brochure. Please contact Lauren J. Borden if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Lauren J. Borden (CRD#5798986) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**AUGUST 29, 2023**

## Brochure Supplement (Part 2B of Form ADV)

### Supervised Person Brochure

#### Executive Officer

##### Lauren J. Borden

- Year of birth: 1990

#### Item 2 Educational Background and Business Experience

##### Educational Background:

- University of Alabama; Master of Science, Human Environmental Sciences – Financial Planning; 05/2011
- University of Alabama; Bachelor of Science, Human Environmental Sciences – Financial Planning; 05/2011

##### Business Experience:

|                   |   |
|-------------------|---|
| 11/2015 – Present | Cloud Investments, LLC<br>Chief Compliance Officer/Investment Advisor Representative                  |
| 05/2015 – 11/2015 | Bridgeworth, LLC<br>Investment Advisor Representative   |
| 04/2015 – 11/2015 | LPL Financial LLC<br>Registered Representative  |
| 10/2012 – 05/2015 | Lincoln Financial Advisors Corporation<br>Registered Representative/Investment Advisor Representative |
| 08/2012 – 09/2012 | Bridgeworth Financial, LLC<br>Registered Representative   |
| 08/2012 – 09/2012 | LPL Financial LLC<br>Registered Representative  |
| 03/2012 – 08/2012 | Lincoln Financial Advisors Corporation<br>Registered Representative                                   |
| 07/2011 – 02/2012 | Lincoln Financial Advisors Corporation<br>Client Service Coordinator                                  |
| 05/2011 – 07/2011 | Unemployed  |
| 08/1999 – 05/2011 | Full-time student   |

#### Item 3 Disciplinary Information

*Criminal or Civil Action:* None to report.

*Administrative Proceeding:* None to report.

*Self-Regulatory Proceeding:* None to report.

#### Item 4 Other Business Activities

Lauren Borden does not have any other business activities, therefore this represents no conflicts of interest.

**Item 5 Additional Compensation**

Mrs. Borden receives no additional compensation in any capacity, nor does she receive any performance based fees.

**Item 6 Supervision**

Lauren J. Borden is Chief Compliance Officer of Cloud Investments, LLC. Mrs. Borden is responsible for all supervision and formulation and monitoring of investment advice offered to clients. She will adhere to the policies and procedures as described in the firm's Compliance Manual.