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March 1, 2022

This Brochure provides information about the qualifications and business practices of Cresap Inc. If you have any questions about the contents of this Brochure, please contact us at 610-341-1320 or mcresap@cresap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”).

Cresap Inc. is an investment adviser registered with the Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Item 2 Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure, dated March 1, 2022, is our new document prepared according to the SEC’s new requirements and rules. As such, this document is different in form and structure and includes certain new information that our previous brochure did not require.

In the future, this firm will provide our clients with a summary of material changes that are made to the Brochure. We will also reference the date of our last annual update of our Brochure.

In the past we have offered or delivered information about our qualifications and business practices to our clients on at least an annual basis. As required by the new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may also provide ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge, upon request from you.

Currently, our Brochure may be requested by contacting Mark Cresap, President, at 610-341-1320 or mcresap@cresap.com or viewed on our company website at www.cresap.com .

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Item 4. Advisory Business

Cresap Inc. is a corporation that has been registered with FINRA (formerly NASD) since 1990. The firm has also been registered with the SEC as an investment advisor since 2013 and before that with the Pennsylvania Securities Commission beginning in 2006. The fact of registration as an investment advisor should not imply a particular level of skill or training but is simply a regulatory requirement.

Cresap Inc. is an introducing broker dealer that custodies almost all client assets and routes almost all securities transactions through a clearing firm. Our clearing firm is Wells Fargo Clearing Services LLC, a subsidiary of Wells Fargo Corporation.

With very limited exception, client investment advisory assets managed by Cresap Inc. are custodied at Wells Fargo and a large portion are deployed in certain programs, or platforms, offered by Wells Fargo to its various correspondent firms. Assets owned by the client are held in the client's name and are not co-mingled with other assets.

Non-Discretionary Assets

By far the majority of the firm's client advisory assets are managed on a non-discretionary basis. This means that the financial advisor must receive the approval of the client prior to executing a buy or sell transaction.

The majority of the firm's client assets that are managed on a non-discretionary basis are held in the Asset Advisor program made available through Wells Fargo. Assets eligible for purchase in the Asset Advisor program include, but are not limited to, common and preferred stocks, exchange traded funds, closed-end funds, corporate and government bonds, certificates of deposit, options and certain mutual funds that may be purchased at net asset value (no sales charge).

Additionally, a small percentage of non-discretionary assets are held in the Custom Choice program, which is limited to open-ended mutual funds. These funds may be purchased at net asset value (no sales charge).

Two advisors manage 401K assets custodied at mutual fund companies.

As of 03/01/2022, the firm managed \$324,555,214.00 on a non-discretionary basis.

Discretionary Assets

Discretionary management of assets means that the financial advisor associated with Cresap Inc. has the authority to make investment portfolio decisions without the client's prior approval of the specific transactions. The client grants this authority to the advisor through a written agreement. Some accounts are managed on a discretionary basis in the fee-based Professional Investment Management (PIM) program, which like Asset Advisor, permits a broad range of securities. The fee based Fundsourc program invests in mutual funds. Other discretionary accounts pay transaction charges instead of fees. The Advisor has authority to make decisions using a broad array of security types in discretionary accounts. Fees and compensation are explained in Item #5 below.

On a very limited basis, the firm may provide access to outside money managers through the facilities of Wells Fargo. In this arrangement, the account is managed by an outside manager, selected by the individual client from a Wells Fargo approved list.

As of March 01, 2022, total discretionary assets under management were \$69,946,181.00.

How Advisory Accounts are Managed

Investment advice is provided to the client directly from the advisor, who is qualified to provide such advice by virtue of passing the requisite investment advisory examination and is under the supervision of Cresap Inc. Advisors work with clients to determine the appropriate account type and, in non-discretionary accounts, collaborate with clients on securities selection.

An advisor, who may work in partnership with one or more other advisors, will work with a client to develop an investment strategy designed to meet the client's goals. Client strategies may differ significantly. One client may wish to secure a steady stream of income, while another may wish to achieve growth and is willing to accept more risk in the process.

The firm does not require advisors under its supervision to follow any particular, overarching investment strategy. It does, however, review accounts to ensure that the management of each portfolio is consistent with the fiduciary standard. This is a standard of care that requires that the advisor always places the interests of the client first and discloses all forms of compensation and possible conflicts of interest.

Item 5 Fees and Compensation

Level fees charged on advisory accounts are based on the value of the account, and are expressed on an annualized basis. This is explained in greater detail below.

The amount of the advisory fee is set by agreement between the advisor and the client. This applies to any fee based advisory account at the firm.

With respect to non-discretionary (client directed) fee based accounts there are two options currently offered by Cresap Inc. to clients:

The first is Asset Advisor, a program that accommodates a broad range of investment recommendations. The fee is set based on negotiation between the client and the advisor.

The firm's actual charges on Asset Advisor accounts are set at various levels at or below 1.5%. The fee is set based on negotiation between the client and the advisor.

The second non-discretionary option is Custom Choice, which provides a broad array of open-end mutual fund options.

The firm's actual charges on Custom Choice accounts are set at various levels at or below 1.2%. The fee is set based on negotiation between the client and the advisor.

With respect to advisor directed (discretionary) fee based accounts, Cresap Inc. uses the Private Investment Management (PIM) product made available by Wells Fargo. The firm's actual charges on PIM are set at various levels at or below 2%. The fee is set based on negotiation between the client and the advisor.

For all advisory accounts held in the aforementioned programs at our clearing firm (Wells Fargo Clearing Services), fees are deducted at the time the account is opened (inception) and on a quarterly basis thereafter. Inception fees are pro-rated from the time the account is opened until the end of the calendar quarter in which it is opened. Quarterly fees are processed within the first 15 days of each quarter.

Fees are based on the value of assets held in the account on the last day of the quarter. If an account was worth \$400,000 on 12/31, and was subject to a 1% annual fee, the fee billed in January would be calculated as follows:

$\$400,000$ (value on 12/31) \times 1% = $\$4000$ (annualized fee)

$\$4000$ (1/4 or one quarter) = $\$1000$ (quarterly fee)

Unlike regular brokerage accounts at Cresap, Inc., there are no commissions, or any other charges imposed on transactions that occur within fee based advisory accounts except as noted in #10 below. This applies to all securities, including mutual funds, purchased or sold in advisory accounts. There are no custody charges or inactivity charges. The only Cresap Inc. charge to the client is the advisory fee, negotiated by the client and advisor, and set forth in the account opening documents signed by the client. With certain mutual funds or ETF's held in an advisory account, there may be a management fee charged by the fund or product manager. Cresap Inc. does not receive any part of this fee.

The vast majority of our advisory and brokerage accounts are held at Wells Fargo Clearing Services. Client cash balances may be swept into money market shares or a bank deposit program. Wells Fargo Clearing charges fees for the cash sweep program, and shares a portion of these fees with Cresap, Inc. The fee may vary depending on the sweep option chosen. Therefore, this firm derives a benefit based on the aggregate value of all brokerage and advisory client assets in cash sweep vehicles offered by the clearing firm. The benefit may decline or cease in an environment of very low interest rates. Because our financial advisors receive no direct benefit from this sharing arrangement, it does not influence the advice provided by our advisors to our clients.

An advisor at Cresap who exercises discretion over an account may charge transaction commissions instead of a flat fee. In these accounts, other fees normally charged in a brokerage account may be imposed. Such fees could include fees for account transfer (charged to transfer the account to another firm), optional exchanges, wire transfers, cash management accounts, retirement plan accounts, delivery of U.S. Government securities, abandoned property/dormant account, returned checks, internet account access (if applicable), fees on foreign securities, annual inactive or maintenance fees, and postage and handling fees. Commission rates are negotiable. Advisory accounts that pay transaction commissions instead

of fees are monitored to ensure that transaction costs do not exceed what the client would pay in a comparable fee based account.

Item 6 Types of Clients

The vast majority of the firms' advisory clients are individual retail investors.

As described earlier, investment strategies are developed by the client and advisor on the basis of that client's needs and objectives. There is no particular type of security, investment strategy, or risk analysis process that is emphasized by the firm or imposed upon advisors by the firm.

Item 7 Disciplinary Information

There are no legal or disciplinary events that are material to a client's evaluation of the firm's advisory business.

Item 8 Other Financial Industry Activities and Affiliation

All persons that function as advisors to advisory accounts at Cresap Inc. are also registered representatives of Cresap Inc., the broker/dealer. As registered representatives of Cresap Inc., these individuals could recommend to clients that they open or maintain traditional brokerage accounts instead of advisory accounts. Brokerage accounts charge commissions on a transaction by transaction basis, while advisory accounts are usually charged a flat fee. The decision as to which account is appropriate is made by client and advisor.

Item 9 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Advisors of Cresap Inc. may own or purchase the securities that they recommend to clients. The firm has rules in place to ensure that advisors in no way benefit from price movements resulting from transactions in client accounts.

Item 10 Brokerage Practices

All brokerage transactions in fee based advisory accounts are executed free of charge to the client. The firm receives no brokerage commissions from these transactions. A client may purchase a security in either an Asset Advisor or PIM account that is not an eligible security in either of those types of advisory accounts. An up-front commission instead of an annual fee may be charged on such a transaction, and the security will be held in the account, but it is technically not an advisory asset. All transactions are routed by Wells Fargo to the appropriate market for best execution. Cresap Inc. receives no consideration from any person or entity in exchange for brokerage transactions. There may be a nominal fee imposed by our clearing firm

for certain mutual fund liquidations. As noted in Item #5 above, certain advisory accounts may pay transaction charges instead of a level fee.

The firm does not aggregate orders in advisory accounts because they are executed on an account by account basis at different times. The firm would aggregate orders if purchase of a block of a security for multiple accounts would result in a more favorable average price for the accounts in question.

Item 11 Review of Accounts

All accounts are reviewed on a periodic basis by a principal of the firm.

A non-periodic review might be triggered by an exception report or alert generated by the firm's (Wells Fargo proprietary) supervision system.

Clients receive monthly statements and quarterly statements prepared by Wells Fargo. Cresap Inc. does not prepare statements.

Item 12 Client referrals and other compensation

The firm does not give or receive compensation or any other consideration for referrals.

Item 13 Custody

The vast majority of advisory client statements are prepared by the custodian (Wells Fargo) and should be reviewed carefully by the client.

Two advisors manage 401K assets custodied at mutual fund companies.

Item 14 Investment Discretion

Please refer to Item 4, Advisory Business

Item 15 Voting Client Securities

The firm does not have the authority to vote client securities. The client will receive proxies from an agent of the clearing firm. Clients may contact their advisor with any questions pertaining to the proxy.

Item 16 Financial Information

Cresap Inc. maintains net capital in accordance with the requirements imposed by the SEC and FINRA. As of December 31, 2021 (latest audited financials) the firm had net capital 8.8 times greater than FINRA's minimum requirement. The firm has no contractual obligation with clients that imposes any financial burden on the firm.

Item 17 The Firm Management

The firm was founded and is owned by Mark Cresap. Mr. Cresap has more than 40 years of experience in the securities business and holds FINRA supervisory licenses for general securities, municipal bonds, financial operations and options. Mr. Cresap was formerly Chair of the FINRA District Business Committee and was formerly Chair of the FINRA Small Firms Advisory Board. He also formerly served on the FINRA Board of Governors. Mr. Cresap graduated with a B.A. from Williams College in 1974.

The firms' two vice presidents are Marisa Welch and Richard Hess. Ms. Welch holds a FINRA supervisory license for general securities. Mr. Hess holds FINRA supervisory licenses for general securities, municipal bonds and options.