

TGS Financial Advisors

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Form ADV Part 2A, Firm Brochure

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This brochure provides information about the qualifications and business practices of TGS Financial Advisors. If you have any questions about the contents of this brochure, please contact us at (610) 892-9900 or peter@tgsfin.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 TGS Financial Advisors is also available on the SEC's website at www.adviserinfo.sec.gov.

References herein to TGS Financial Advisors as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

Since the last annual amendment filing, and as of March 20, 2024, there have been no material changes. Certain non-material changes have been made at Item 4 to provide more information on our advisory services, including cash sweep accounts, cybersecurity risk, and variable annuity sub-account management. We have also revised our fee schedule. We have also updated this brochure regarding discontinuation of our Aggressive Growth strategy.

ANY QUESTIONS: Registrant’s Chief Compliance Officer, Peter Mai, remains available to address them.

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Item 4 Advisory Business

- A. TGS Financial Advisors (the “Registrant”) is a corporation formed on September 16, 1990, in the state of Delaware. The Registrant became registered as an investment adviser in June 1991. The Registrant is owned by James Hemphill. Mr. Hemphill is the Registrant’s President.
- B. As discussed below, the Registrant offers discretionary investment advisory services, and financial planning and related consulting services to clients.

INITIAL PROPOSAL

Generally, upon commencement of a relationship, and prior to providing investment advisory services, the Registrant will meet with the client to determine the client’s investment objectives, financial planning issues, and other pertinent information. Thereafter, the results of the meeting and corresponding recommendations are set forth in an “Initial Proposal.” See Item 5 below.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary or non-discretionary investment advisory services as part of the TGS Financial Advisors Wrap Program or the TriageMD Wrap Foundations Program (the “Programs”). Clients in the Program pay a single fee for investment advisory services, brokerage, custody and reporting (excluding the separate investment management fee charged by sub- advisers such as Marshfield-*see below*). The specific services a client receives in the Program will depend upon each client’s particular need.

The Programs’ specific services and conditions are discussed in the Program Brochure, a copy of which is presented to all prospective Program participants. The Program Brochure is incorporated into this Brochure by reference. All prospective Program participants should read both the Registrant’s Brochure and the Wrap Fee Program Brochure and ask any corresponding questions that they may have prior to participation in the Program. Raymond James Financial Services, Inc. (“RJFS”) is the custodian for Program accounts.

As indicated in the Program Brochure, participation in the Program may cost more or less than purchasing such services separately. However, the Registrant does not generally offer its services on an unbundled basis. As also indicated in the Wrap Fee Program Brochure, the Program fee charged by Registrant for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

The Registrant receives the balance of the Program fee after all other costs incorporated into the wrap fee program have been deducted or paid for by the Registrant (i.e., transaction costs). Because Registrant pays transaction fees to RJFS, Registrant has an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. Generally, the Registrant provides its advice without regard to whether it will be required to pay transaction fees.

TGS MEDICAL PROFESSIONAL PROGRAM (TRIAGEMD)

Subsequent to completion of stand-alone financial planning services (see below), Registrant may, in its sole discretion, allow certain qualified clients who are: (1)

finalizing their medical studies; (2) have been in a medical practice for approximately three years or less; and/or (3) any other medical professionals who Registrant deems in its sole discretion to be otherwise qualified, to participate in the TGS Medical Professional Program (referred to as the “MPP” and/or *TriageMD* program).

Before rendering services under the MPP, qualified clients are required to enter into a separate written agreement with the Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of, and fee for, the services to be provided. The consulting services provided under the MPP will generally be limited to financial planning issues relevant to new medical professionals. See additional disclosure at Item 5 below.

FINANCIAL PLANNING AND CONSULTING SERVICES

TGS provides financial planning and consulting services primarily on a stand-alone separate fee basis. To the extent desired, the client can engage the Registrant to provide financial planning or consulting services (including investment and non-investment related matters) on a stand-alone separate fee basis (subject to exception at the exclusive discretion of the Registrant)). Prior to engaging the Registrant to provide planning or consulting services on a stand-alone basis, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. Registrant does not serve as a law firm or accounting firm, and no portion of its services should be construed as legal or accounting services. Accordingly, Registrant does not prepare estate planning documents or tax returns. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. If the client engages any recommended professional, and a dispute arises, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional(s) (i.e., attorney, accountant, insurance agent, etc.), and not Registrant, shall be responsible for the quality and competency of the services provided. Clients are responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review, and if necessary, revise its previous recommendations or services.

MISCELLANEOUS

Inclusive Planning Services. The Registrant believes that it is important for the client to address financial planning issues on an ongoing basis. To the extent that planning services are included in Registrant’s advisory fee, as set forth at Item 5 below, Registrant’s fee will remain the same regardless of whether or not the client determines to address financial planning issues with Registrant.

Sub-Advisory Arrangements. The Registrant may engage sub-advisors, including Marshfield Associates, Inc., for the purpose of assisting the Registrant with the management of its client accounts. The sub-advisors shall have discretionary authority for the day-to-day management of the assets that are allocated to it by the Registrant. The Registrant will continue to monitor and review the client’s account performance,

investment objectives, and asset allocation. The Registrant generally considers the following factors when recommending a sub-advisor: the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fee charged by the sub-advisors, including the fee charged by Marshfield Associates, Inc., is in addition to the Registrant's wrap program investment advisory fee discussed at Item 5 below. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Peter Mai, remains available to address any questions that a client or prospective client may have regarding the allocation of account assets to a sub-adviser, including the specific additional fee to be charged by such sub-adviser.**

Client Obligations. The Registrant will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review, and if necessary, revise its previous recommendations or services.

Please Note: Retirement Rollovers-Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn new (or increase its current) compensation as a result of the rollover. If Registrant provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), Registrant is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant, whether it is from an employer's plan or an existing IRA.**

eMoney/ByAllAccounts. The Registrant may provide its clients with access to an online platform hosted by "eMoney Advisor" ("eMoney") and ByAllAccounts. The eMoney and ByAllAccounts platforms allow a client to view their complete asset allocation, including those assets that the Registrant does not manage (the "Excluded Assets"). The Registrant does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, the Registrant shall not be responsible for the investment performance of the Excluded Assets. The client or their other advisors that maintain trading authority, and not the Registrant, shall be exclusively responsible for the investment performance of the Excluded Assets. In addition, eMoney also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by the Registrant. If the Registrant is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and the Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client may engage the Registrant to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between the Registrant and the client. Finally, the Registrant shall

not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without the Registrant's assistance or oversight.

Please Note-Use of Mutual Funds and Exchange-Traded Funds (ETFs): Registrant utilizes mutual funds and exchange-traded funds for its client portfolios. In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed above, clients will also incur, relative to all mutual fund and exchange-traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

Please Note: Cash Positions. Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by the Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund.

Custodian Charges-Additional Fees. As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Registrant generally recommends that Raymond James Financial Services, Inc. ("RJFS") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as RJFS charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including RJFS, generally (with the potential exception for large orders) do not currently charge fees on individual equity transactions (including ETFs), others do. **Please Note:** there can be no assurance that RJFS will not change their transaction fee pricing in the future. **Please Also Note:** RJFS may also assess fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically. **Trade-aways:** When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom Registrant and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC-registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "trade-away" fee charged by RJFS. The above fees/charges are in addition to Registrant's investment advisory fee at Item 5 below. Registrant does not receive any portion of these fees/charges.

Portfolio Activity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective.

Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are unnecessary. Clients remain subject to the fees described in Item 5 below during periods of portfolio inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by the Registrant will be profitable or equal any specific performance level(s).

Variable Annuity Sub-accounts. In the event that the client owns a variable annuity product, the client can engage Registrant to provide investment management services relative to the investment subdivisions that comprise the variable annuity product. Registrant's investment selection shall be limited to those provided by the variable annuity sponsor. If so engaged, Registrant shall charge an ongoing advisory fee based upon the market value of the assets per its fee schedule at Item 5 below. Please Note: Neither Registrant, nor any of its employees, offers to sell variable annuity products to its clients. Neither Registrant, nor any of its employees, are registered as, or associated with, a broker-dealer or an insurance agency.

Cash Sweep Accounts. Certain account custodians can require that cash proceeds from account transactions or new deposits, be swept to and/or initially maintained in a specific custodian designated sweep account. The yield on the sweep account will generally be lower than those available for other money market accounts. When this occurs, to help mitigate the corresponding yield dispersion, Registrant shall (usually within 30 days thereafter) generally (with exceptions) purchase a higher yielding money market fund (or other type security) available on the custodian's platform, unless Registrant reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

Socially Responsible (ESG) Investing Limitations. Socially Responsible Investing involves the incorporation of Environmental, Social and Governance ("ESG") considerations into the investment due diligence process. ESG investing incorporates a set of criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that meet an acceptable ESG mandate can be limited when compared to those that do not, and could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Registrant), there can be no assurance that investment in ESG securities or funds will be profitable, or prove successful. Registrant does not maintain or advocate an ESG investment strategy, but will seek to employ ESG if directed by a client to do so. If implemented, Registrant shall rely upon the assessments undertaken by the unaffiliated mutual fund, exchange traded fund or separate account manager to determine that the fund's or portfolio's underlying company securities meet a socially responsible mandate.

Please Note: The above does not apply to the cash component maintained within the Registrant's actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager, and cash balances maintained for fee billing purposes. Please Also Note: The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any of the Registrant's unmanaged accounts.

Cybersecurity Risk. The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant's clients employ various controls that are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant's operations and/or result in the unauthorized acquisition or use of clients' confidential or non-public personal information. In accordance with Regulation S-P, the Registrant is committed to protecting the privacy and security of its clients' non-public personal information by implementing appropriate administrative, technical, and physical safeguards. Registrant has established processes to mitigate the risks of cybersecurity incidents, including the requirement to restrict access to such sensitive data and to monitor its systems for potential breaches. Clients and Registrant are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur financial losses and/or other adverse consequences. Although the Registrant has established processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that the Registrant does not control the cybersecurity measures and policies employed by third-party service providers, issuers of securities, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchanges, and other financial market operators and providers. In compliance with Regulation S-P, the Registrant will notify clients in the event of a data breach involving their non-public personal information as required by applicable state and federal laws.

Participant Directed Retirement Plans. Registrant can also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a Retirement Plan Services Agreement between Registrant and the plan. For such engagements, Registrant shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Registrant), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision-making process.

Client Retirement Plan Assets. If requested to do so, Registrant can provide investment advisory services relative to 401(k) plan assets maintained by the client in conjunction with the retirement plan established by the client's employer. In such event, Registrant shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. Registrant's ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. Registrant will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify Registrant of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account. Unless expressly indicated by the Registrant to the contrary, in writing, the client's 401(k) plan assets shall be included as assets under management

for purposes of Registrant calculating its advisory fee.

Non-Discretionary Service Limitations. Clients that determine to engage the Registrant on a non-discretionary investment advisory basis must be willing to accept that the Registrant cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, the Registrant will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's consent.

Disclosure Brochure. A copy of the Registrant's written Brochure and Client Relationship Summary, as set forth on Part 2 of Form ADV and Form CRS respectively, shall be provided to each client prior to the execution of any advisory agreement.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant only provides services through wrap fee programs. The Registrant receives a portion of the wrap fee after the payment of trading and administrative expenses.
- E. As of December 31, 2024, the Registrant had \$359,389,701 in assets under management on a discretionary basis

Item 5 Fees and Compensation

- A. Below is information about the fees charged by TGS:

INITIAL PROPOSAL

The cost of the Initial Proposal generally ranges between \$2,500 and \$5,000 but may exceed this range depending upon the level and scope of the client's anticipated needs and requirements.

TGS FINANCIAL ADVISORS WRAP PROGRAM FEE

Under the Program, the Registrant is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Program fee schedule is below:

Standard AUM Fee Grid for Investment Services	
Those assets between...	will be billed...
\$0-\$500k	1.50 %
\$500k - \$1m	1.25 %
\$1m - \$5m	1.00 %
\$5m +	0.75 %

Please note: Certain clients may be subject to a legacy fee schedule that is being discontinued and no longer offered to new or existing clients.

Wrap Program Conflict. Participation in the Program may cost more or less than purchasing such services separately. The fee that we charge for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs. When managing a client's account on a wrap fee basis, we shall receive as payment for our investment advisory services, the balance of the wrap fee after all wrap-fee costs (including account transaction fees) have been deducted. Accordingly, we have a conflict of interest because we have an economic incentive to maximize our compensation by seeking to minimize the number of transactions/total costs in the client's account. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Peter Mai, remains available to address any questions that a client or prospective client may have regarding the corresponding conflict of interest a wrap fee arrangement may create.**

TGS MEDICAL PROFESSIONAL FEES

As indicated at Item 4 above, subsequent to completion of an initial stand-alone financial planning engagement, a qualified client who determines to engage Registrant to provide services under the MPP is required to enter into a separate written agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of, and fee for, the services to be provided. The consulting services offered under the MPP will generally be limited to financial planning issues relevant to new medical professionals. The current one-time fee for the initial planning phase (TriageMD Foundations Plan Agreement) is \$2,500. No client is obligated to engage the Registrant for MPP subsequent to completion of the initial planning engagement. The current annual MPP fee will be \$5,000, \$4,000, and \$3,000 in years 1, 2, and 3 respectively. Clients may only engage in the MPP for a period of three years. Thereafter, the MPP Agreement will terminate as to each client, who will then be obligated to execute a new investment advisory agreement with Registrant to provide ongoing services should they so desire.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

Registrant's planning and consulting fees are negotiable, but generally range from \$1,000 to \$10,000 on a fixed fee basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant generally recommends that RJFS serve as the broker-dealer and custodian for client investment management assets. Broker-dealers

such as RJFS charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds and fixed income securities transactions).

- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Registrant does not charge for intra-quarter additions, nor reimburse for intra-quarter withdrawals relative to existing client accounts.

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

Fee Dispersion. Registrant, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As a result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Peter Mai, remains available to address any questions that a client or prospective client may have regarding advisory fees.**

Margin Accounts: Risks. Registrant **does not** recommend the use of margin for investment purposes. A *margin account* is a brokerage account that allows investors to borrow money to buy securities and/or for other non-investment borrowing purposes. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. **Please Note:** The use of margin can cause significant adverse financial consequences in the event of a market correction.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 **Types of Clients**

The Registrant's clients can include individuals, business entities, trusts, estates, charitable organizations, and pension and profit-sharing plans. Registrant, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As a result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Peter Mai, remains available to address any questions that a client or prospective client may have regarding advisory fees.**

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

- A. The Registrant shall utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

- Long-Term Purchases (securities held at least a year)
- Short-Term Purchases (securities sold within a year)

Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks,

However, every method of analysis has its own inherent risks. To perform an accurate market analysis, the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies – Long-Term Purchases, Short-Term

Purchases are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy.

Registrant may use the FP Alpha platform to support investment management and financial planning. FP Alpha uses a combination of subject matter experts and AI to deliver holistic planning advice. FP Alpha is an AI powered financial planning tool that can help analyze, summarize and visually illustrate clients' existing tax returns, estate documents, and insurance policies. This function is particularly helpful in allowing clients to better understand what can be complex documents and strategies. In addition, the scenario building capabilities allow advisors to quantify the expected impact of various strategies, such as Roth conversions. Based on the analysis results, Registrant can then work with our clients and their professionals (CPAs, attorneys, insurance brokers) to evaluate these strategies further and implement them when appropriate.

Use of Mutual Funds and Exchange-Traded Funds (ETFs): Most mutual funds and exchange-traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by Registrant independent of engaging Registrant as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Registrant's initial and ongoing investment advisory services. Registrant utilizes mutual funds issued by Dimensional Fund Advisors ("DFA"). DFA funds are generally only available through registered investment advisers approved by DFA. Thus, if the client was to terminate Registrant's services, and transition to another adviser who has not been approved by DFA to utilize DFA funds, restrictions regarding additional purchases of, or reallocation among other DFA funds, will generally apply. In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange-traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses). **ANY QUESTIONS: Registrant's Chief Compliance Officer, Peter Mai, remains available to address any questions that a client or prospective client may have regarding the above.**

Use of Options. As indicated above at Item 4, the Registrant could use options for its Aggressive Growth Strategy, including buying put options (an option contract that profits if the underlying stock decreases in value during a specific time period, there being no assurance that any such contracts will be profitable, in which event the amount paid to purchase the contract will result in a loss). **Please Note:** There can be no guarantee that any options strategy will achieve its objective or prove successful. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Peter Mai, remains available to address any questions that a client or prospective client may have regarding options.**

Portfolio Activity. Registrant will review client portfolios on a periodic basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, market conditions, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant

determines that changes to a client's portfolio are unnecessary. Clients are still subject to the fees described in Item 5 above during periods of inactivity.

- C. Currently, the Registrant, with exceptions, primarily invests client assets in mutual funds and ETFs. The Registrant may also use sub-advisors. See Sub-Advisory Arrangements discussion above in Item 4 for more information on the Registrant's use of sub-advisors.

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Insurance License**: The Registrant's Managing Director, James S. Hemphill, in his separate individual capacity, is a licensed insurance agent. Mr. Hemphill maintains his license solely for the purpose of providing insurance-related consulting services to clients consistent with applicable state law requirements. Mr. Hemphill does not sell, nor does he offer to sell, any insurance-related products, nor does he receive any insurance-based commission compensation.
- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty, and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.

- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons.” The Registrant’s securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at RJFS. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending RJFS (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into

consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. As indicated at Item 4 above, under the Program, the brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are inclusive of Registrant's investment management fee. The Registrant's best price execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Benefits. Registrant can receive from RJFS (or another broker-dealer/custodian, investment manager, platform or fund sponsor, or vendor) free or discounted support services and products. Certain of these products and services assist the Registrant to better monitor and service client accounts maintained at these institutions. The support services that Registrant obtains can include investment-related research; pricing information and market data; compliance or practice management-related publications; discounted or free attendance at conferences, educational or social events; or other products used by Registrant to further its investment management business operations.

Certain of the support services or products received may assist the Registrant in managing and administering client accounts. Others do not directly provide this assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected or assets maintained at the broker-dealers and custodians because of these arrangements. There is no corresponding commitment made by the Registrant to RJFS, or any broker-dealer, custodian or any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangements. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Peter Mai, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest presented by such arrangement.**

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Registrant to effect securities transactions for

the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Peter Mai, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. **Order Aggregation.** Transactions for each client account generally will be effected independently unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "batch" such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among the Registrant's clients' differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. In the event that the Registrant becomes aware that an employee seeks to trade in the same security on the same day, the employee transaction will either be included in the "batch" transaction or transacted after all discretionary client transactions have been completed. The Registrant shall not receive any additional compensation or remuneration as the result of such aggregation.

Item 13 Review of Accounts

- A. For Program accounts, reviews are conducted on an ongoing basis by the Registrant's Principals and/or Representatives. All clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives, and account performance with the Registrant on an annual basis.
- B. The Registrant *may* conduct account reviews on a periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced above, the Registrant may receive an economic benefit from RJFS. The Registrant, without cost (and/or at a discount), may receive support services and/or products from RJFS.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at RJFS as result of this arrangement. There is no corresponding commitment made by the Registrant to RJFS or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

- B. The Registrant does not compensate, directly or indirectly, any person, other than its employees, for client referrals.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker- dealer/custodian for the client accounts. The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

The Registrant may provide services on behalf of its clients that require disclosure on Form ADV Part 1 at Item 9. Some of these services subject the Registrant to an annual, surprise examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended. In addition, certain clients may establish asset transfer authorizations which permit the qualified custodian to rely upon instructions from the Registrant to transfer client funds or securities to third parties. To the extent applicable, these arrangements shall be disclosed on Form ADV Part 1 at Item 9, but in accordance with the February 21, 2017, Investment Adviser Association No-Action Letter, these accounts are not subject to an annual surprise examination. **ANY QUESTIONS: The Registrant's Chief Compliance Officer, Peter Mai, remains available to address any questions that a client or prospective client may have regarding custody.**

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on the Registrant's discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.

- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

- C. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, Peter Mai, remains available to address any questions that a client or prospective client may have regarding any disclosures in this Brochure.