

Firm Brochure

Under SEC regulations, Yerkes Financial Advisors, Inc. is required to provide this Brochure to clients and prospective clients.

YERKES FINANCIAL ADVISORS, INC.

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This brochure provides information about the qualifications and business practices of YERKES FINANCIAL ADVISORS, INC. If you have any questions about the contents of this brochure, please contact us at: (513) 528-8270, or by email at: matt@yerkesfinancialadvisors.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.

Registration with the SEC does not imply a certain level of skill or training.

Additional information about YERKES FINANCIAL ADVISORS, INC. is available on the SEC's website at www.adviserinfo.sec.gov

March 31, 2011 ■

Material Changes

Annual Update

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

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact **us** by telephone at: (513) 528-8270 or **by email** at: **matt@yerkessfinancialadvisors.com**.

Table of Contents

Material Changes	i
Annual Update	i
Material Changes since the Last Update.....	i
Full Brochure Available	i
Advisory Business.....	■
Firm Description	1
Principal Owners	2
Types of Advisory Services	2
Tailored Relationships.....	2
Types of Agreements	2
Investment Management Agreement	2
Tax Preparation Agreement	4
Hourly Planning Engagements.....	5
Asset Management	5
Termination of Agreement	5
Fees and Compensation	6
Description	6
Fee Billing	6
Other Fees	6
Expense Ratios	7
Past Due Accounts and Termination of Agreement	7
Performance-Based Fees.....	7
Sharing of Capital Gains	7
Types of Clients	7
Description	7
Account Minimums.....	8
Methods of Analysis. Investment Strategies and Risk of Loss	m . 8
Methods of Analysis	8
Investment Strategies.....	8
Risk of Loss.....	9

Disciplinary Information.....	10
Legal and Disciplinary	10
Other Financial Industry Activities and Affiliations.....	10
Financial Industry Activities	10
Affiliations	11
Code of Ethics. Participation or Interest in Client Transactions and Personal Trading	11
Code of Ethics	11
Participation or Interest in Client Transactions	11
Personal Trading	11
Brokerage Practices.....	12
Selecting Brokerage Firms	12
Best Execution	12
Soft Dollars.....	12
Order Aggregation.....	13
Review of Accounts.....	13
Periodic Reviews.....	13
Review Triggers	13
Regular Reports	13
Client Referrals and Other Compensation	14
Incoming Referrals	14
Referrals Out	14
Other Compensation	14
Custody	14
Account Statements	14
Performance Reports	14
Net Worth Statements	15
Investment Discretion	15
Discretionary Authority for Trading	15
Limited Power of Attorney	15
Voting Client Securities	16
Proxy Votes	16

Financial Information	16
Financial Condition.....	16
Business Continuity Plan	
General	16
Disasters	16
Alternate Offices	17
Loss of Key Personnel	17
Information Security Program	17
Information Security	17
Privacy Notice	17
Brochure Supplement (Part 2B of Form ADV)	19
Education and Business Standards	19
Professional Certifications	19
Matthew A. Yerkes. CPA	21

Advisory Business

Firm Description

YERKES FINANCIALADVISORS, INC. was founded in 1991.

YERKES FINANCIALADVISORS, INC. (also known as “YFA and/or the “Firm” for purposes of this document) provides personalized confidential financial planning and investment management to individuals, trusts, estates, and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, inventory of client assets, portfolio analysis, development of asset allocation strategy, recommendation of no-load mutual funds, cash flow management, income tax planning and preparation, insurance need assessment, investment management, education funding, retirement planning, and estate planning.

YERKES FINANCIALADVISORS, INC. is strictly a fee-only financial planning and investment management firm. The Firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The Firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder’s fees are accepted or paid for any client referrals. YFA accepts compensation from clients only.

Investment advice is provided with both discretionary and non-discretionary management. YERKES FINANCIALADVISORS, INC. does not act as a custodian of client assets. The client always maintains asset control. YERKES FINANCIALADVISORS, INC. places trades for clients under a limited power of attorney.

An evaluation of each client’s initial situation is discussed with the client. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) may be engaged directly by the client on an as-needed basis. YFA will work with and/or coordinate with other such professionals to accomplish the client objectives. Conflicts of interest will be disclosed to the client in the event they should occur.

Typically there are one or more initial conferences, which may be either in person or by telephone, and are free of charge. These initial meetings are considered exploratory for both the client and YFA to determine the extent which financial planning and investment management may be beneficial to the client and if such needs fit with the services provided by the Firm.

Principal Owner

Matthew A. Yerkes is a 100% stockholder.

Types of Advisory Services

YERKES FINANCIAL ADVISORS, INC. provides investment/asset management services; coordinates investment accounts not involving investment supervisory services; furnishes investment advice through consultations; may issue special reports about portfolio performance; and may issue charts, graphs, formulas, or other devices which clients may use to evaluate securities or portfolio performance.

On more than an occasional basis, YERKES FINANCIAL ADVISORS, INC. furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, retirement and estate planning.

As of March 31, 2011, YERKES FINANCIAL ADVISORS, INC. manages approximately \$45,900,000 in assets for approximately 60 clients. Approximately \$45,500,000 is managed on a discretionary basis, and \$400,000 is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented and the type and sequence of planning topics are determined with the client in the initial phases of the relationship. For investment management activities, an "Investment Policy Statement" is drafted and signed by all parties setting asset allocation targets. Clients may impose restrictions on investing in certain securities or types of securities.

Types of Agreements

The following agreements define the typical client relationships.

Investment Management Agreement

Most clients choose to have YERKES FINANCIAL ADVISORS, INC. manage their investment assets on a discretionary basis in order to obtain ongoing, in-depth advice and financial planning services. All aspects of the client's financial affairs are reviewed and may include their children. Typically, retirement, estate and education goals are set and objectives to reach those goals are

defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

All fees, minimums and scope of services performed are negotiable depending on the facts of the client or prospective client's situation.

The scope of investment work and a fee schedule are set forth in an "Investment Management Agreement," a draft of which is provided to the client in writing prior to the start of the relationship.

Planning services are provided at no additional fee for investment management clients with a minimum of \$500,000. Planning services include cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and income tax planning, as well as assisting/ coordinating the implementation of recommendations within each area.

The investment management fee is based on a percentage of the investable assets according to the following schedule:

- ■ 25% on the first \$500,000;
- 0.85% on the next \$500,000 (from 500,001 to 1,000,000); and
- 0.75% on the next \$1,000,000 (from 1,000,001 to 2,000,000);
- 0.65% on the next \$3,000,000 (from 2,000,001 to 5,000,000);
- 0.50% on the assets above \$5,000,000.

The minimum annual fee is \$6,250. Current client relationships may exist where the relationship started with a different fee schedule from above.

Although the Investment Management Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the Firm may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro-rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Tax Preparation Agreement

Tax planning work is included with the performance of planning services and includes a tax projection in the latter part of the year. The income tax planning work also includes planning for estimated federal and state income taxes, AMT, education credits, etc.

Tax preparation, as opposed to tax planning services, is performed separately and only if the client desires YFA to prepare their annual income tax returns. Most clients appreciate the efficiencies inherent in having the tax preparation coordinated by the firm doing investment management. However, YFA is available and willing to work with other tax professionals.

Planning services are typically billed at rates of \$200 per hour for the primary advisor and \$80 per hour for support personnel. The minimum fee for tax preparation is \$600 and most average \$800 - \$1,000. Fees are higher if savings warrant filing separately where two returns are prepared, one for the husband and one for the wife. Some concessions in fees are made for client families in the same household. Most returns are about 40% higher in the first year than subsequent years. Eligible federal and applicable state returns are filed electronically without an additional fee.

As part of the planning services and if YFA prepared the return, our clients are eligible for ***“Extended Income Tax Support Services.”*** Extended income tax support services include responding to all taxing authorities written inquiries for all returns eligible for audit. The service also includes responding to or coordinating audits initiated by the IRS, state or local authorities and may require the client sign a Power of Attorney for **IRS** representation.

Though unlikely, the service of other tax professionals or specialists may be required to enhance or support the client's position should the exposure warrant. Other professionals will work for the client but coordinate with/through YFA. However, no fees for other professionals will be incurred without the client's prior consent.

YERKES FINANCIAL ADVISORS, INC. does not prepare business entities tax returns, payroll, trust or estate tax returns nor prepare 1099/1096 informational form reporting.

Hourly and/or Fixed Fee Limited Planning Engagements

YERKES FINANCIAL ADVISORS, INC. has provided hourly or fixed-fee planning services for client's adult children who need advice on a limited scope of work.

Asset Management

As an institutional investor, YFA typically acquires no-load mutual funds and exchange-traded funds, usually through Charles Schwab & Co., Inc. (also known herein, as "Schwab"). Some load funds are able to be obtained "load-free" by YFA through Schwab. Some funds are obtained on an "institutional" basis meaning the internal expense fees are significantly lower than fees charged to non-institutional, retail investors. Investments may also include certificates of deposit, bonds, and U.S. government securities.

YERKES FINANCIAL ADVISORS, INC. uses mutual funds and exchange-traded funds almost exclusively. Individual stocks and bonds are typically purchased only at the client's request.

YERKES FINANCIAL ADVISORS, INC. does not receive any compensation, in any form, from Schwab or any other custodian or mutual fund company.

Some investments are maintained in investment company securities (variable life insurance, variable annuities, and mutual funds shares), interests in partnerships, etc., and are typically the result of investments acquired before the YFA relationship commenced.

Initial public offerings (IPOs) are not available through YERKES FINANCIAL ADVISORS, INC.

Termination of Agreement

Any client may terminate YFA services at any time by notifying YERKES FINANCIAL ADVISORS, INC. in writing and paying a pro-rata portion of the time spent prior to notification of termination. There are no established termination fees or minimums. No client ever incurs additional fees for termination.

YERKES FINANCIAL ADVISORS, INC. may terminate any of the aforementioned agreements at any time by notifying the client in writing.

Fees and Compensation

Description

YERKES FINANCIALADVISORS, INC. bases its fees primarily on a percentage of assets under management and on a limited basis, hourly charges and fixed fee arrangements.

Some ***Retainer Agreements*** may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are only provided for those who have the minimum amount of assets under management.

Standard fee rates are negotiable but typically apply unless the circumstances warrant a different cost schedule.

Fee Billing

Investment management fees are billed quarterly, in arrears, meaning that fees are collected in the current quarter for the prior calendar quarter. Fees are almost exclusively deducted from the client's account to facilitate billing. The client must provide to the custodian consent in advance for direct debiting of their investment account.

Limited hourly or fixed-fee engagements are billed directly to the client after the services are performed.

Other Fees

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

YERKES FINANCIALADVISORS, INC. has a billing structure for their clients set by the primary custodian, Schwab. YFA tries to obtain the lowest transaction costs available but the final transaction costs are determined by Schwab.

Expense Ratios

Mutual fund companies charge an internal expense management fee (also known as an operating or net expense ratio) that is disclosed in the fund prospectus for the internal management of mutual fund operations. Expense ratios vary from approximately 0.2% to 1.5% depending on the security.

For example, a mutual fund expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services annually. For example, if a mutual fund has a value of \$100,000, the annual internal mutual fund cost would be \$500. These fees are in addition to the fees paid by the client to YERKES FINANCIAL ADVISORS, INC.

Past Due Accounts and Termination of Agreement

YERKES FINANCIAL ADVISORS, INC. reserves the right to stop work on any account that is more than 60 days overdue. In addition, YERKES FINANCIAL ADVISORS, INC. reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in YERKES FINANCIAL ADVISORS, INC.'s judgment, to provide proper financial advice.

Performance-Based Fees

Sharing of Capital Gains

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

YERKES FINANCIAL ADVISORS, INC. does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

YERKES FINANCIAL ADVISORS, INC. generally provides investment and planning advice to individuals who are retired or are considering retirement in the next 5 years. Our clients also include individuals who are single as a result of death or divorce and need on-going financial management services.

Client relationships vary in scope and length of service. Typically, client relationships last for extended periods, even decades. YFA discourages short-term client relationships since the planning process is an ongoing, dynamic activity through many phases and changes in a client's life.

Account Minimums

The minimum account size is \$500,000 of assets under management, which equates to an annual fee of \$6,250.

YERKES FINANCIAL ADVISORS, INC. has the discretion to waive the account minimum. Accounts of less than the minimum may be set up when the client and the advisor anticipate the addition of funds to meet the minimum within a reasonable time. Other exceptions will apply to employees of YERKES FINANCIAL ADVISORS, INC. and their relatives, or relatives of existing clients.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis and cyclical analysis. Key indicators include asset class and peer performance.

Sources of information may include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, mutual fund/corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that YERKES FINANCIAL ADVISORS, INC. may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Co., Inc.'s equity research service and ratings, and the World Wide Web.

Though Schwab does provide certain stock analysis, the extent and usage of such information is minor in relation to other financial information sources and is not a factor in custodial selection.

Investment Strategies

YERKES FINANCIAL ADVISORS, INC. recommends a long-term, buy and hold philosophy utilizing primarily mutual funds for both stock and bond portions of the portfolio. No individual equities/stocks are recommended though, if acquired prior to becoming a client or as part of a retirement

planning/implementation program, a plan is determined for selling/liquidation or maintenance. The Firm does not utilize market timing concepts and attempts to avoid concentrations of an individual security in a portfolio.

The primary investment strategy used in client accounts is strategic asset allocation utilizing the equity asset classes of Domestic, International and Alternative. Further, bond portfolios typically consist of primarily investment grade corporates, governments and certain high-yield funds. Implementing these strategies means that the Firm can use passively-managed or index, exchange-traded funds and/or actively-managed funds. Portfolios are globally diversified to mitigate the risk associated with the domestic markets and enhance diversification.

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 that documents their desired investment strategy.

Other strategies such as short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies) are not utilized.

Risk of Loss

All investment programs have certain risks that are borne by the investor. It is important to note that the market is the primary catalyst in determining overall portfolio returns. Further, the client's allocation between stocks and bonds is the single greatest factor for determining returns, volatility and risk of loss.

Essentially, all investors must be willing to incur the risks of investment which include, but are not necessarily limited to, the following investment risks:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- *Security Risk:* The risk that a security underperforms other similar securities or the related index.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

YERKES **FINANCIAL ADVISORS, INC.** is a Registered Investment Advisor with the Securities and Exchange Commission (**SEC**). Recent regulatory law changes mandate some Ohio investment advisory firms may be subject to the review by the Ohio state regulatory authorities rather than the **SEC**.

Affiliations

YERKES FINANCIAL ADVISORS, INC. is wholly owned by Matthew A. Yerkes and is not affiliated with any investment company, custodian, insurance agency/company, bank or thrift, real estate broker or dealer or any other financial organization. The Firm is also not affiliated with any pension, accounting or law firm but does work closely with a number of firms coordinating client activities.

Although YFA is independent of Schwab, the Firm chooses to transact business with Schwab as the primary custodian of client funds. Schwab was selected due to its national presence and competitive platform. Further, maintaining a single custodian increases operational efficiencies in almost **all** aspects of the Firm operations. YFA neither pays nor receives compensation to or from Schwab. In fact, YFA is charged a fee for attending some Schwab conference events. However, other custodians are utilized, if the circumstances warrant.

As a fee-only firm, YFA remains independent to avoid conflicts of interest and protect our client's best interests.

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

Code of Ethics

The employees of YERKES FINANCIAL ADVISORS, INC. have committed to a Code of Ethics which is available for review by clients and prospective clients upon request. The Firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

YERKES FINANCIAL ADVISORS, INC. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the YERKES FINANCIAL ADVISORS, INC.'s *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of YERKES FINANCIAL ADVISORS, INC. is Matthew A. Yerkes. He reviews all employee trades each quarter. His trades are reviewed by other employees on a quarterly basis. The personal trading

reviews ensure that the personal trading of employees does not affect the markets, and that clients of the Firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

YERKES FINANCIALADVISORS, INC. does not have any affiliation with product sales firms. YERKES FINANCIALADVISORS, INC. recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable transaction rates.

YERKES FINANCIALADVISORS, INC. recommends primarily Schwab though other custodians can be considered. Utilizing multiple custodians decreases efficiencies and creates certain redundancies which are why maintaining a primary custodian is preferred.

YERKES FINANCIALADVISORS, INC. does not receive fees or commissions from any custodial arrangements.

Best Execution

YERKES FINANCIALADVISORS, INC. reviews the execution of trades but mutual fund trading is not as time sensitive as other non-mutual fund trades since all mutual fund trades are affected at the end-of-day price. The review is documented in the YERKES FINANCIALADVISORS, INC.'s **Compliance Manual**. Trading fees charged by the custodians are also reviewed. YERKES FINANCIALADVISORS, INC. does not receive any portion of the custodian's trading fees.

Soft Dollars

Schwab Performance Technologies, an affiliate of Charles Schwab & Co., Inc., developed a portfolio reporting and management software program for investment advisors. There are no discounts provided for advisors who also use Schwab as a custodian. However, advisors who use custodians other than Schwab do pay additional fees for the development, maintenance and ability to download non-Schwab portfolio activity.

In 2009, a one-time credit of approximately \$2,000 was received for advisors who use Schwab as custodian. This credit offset a one year annual maintenance fee for our portfolio management software.

The selection of Schwab as a custodian for clients was and is not affected by this nominal credit.

The portfolio management software program, "PortfolioCenter", developed by Schwab Performance Technologies, is utilized by YFA, and is one of the largest, if not the largest, utilized portfolio software programs of similarly sized firms. It is also used by other advisors who do not use Schwab as their primary custodian.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Review of Accounts

Periodic Reviews

Account reviews are performed regularly by Matthew A. Yerkes, Owner. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, poor peer group performance by a mutual fund and changes in a client's own situation.

Regular Reports

Investment Management Agreement clients receive written quarterly reports. The reports are designed to show the allocation of funds between asset classes, portfolio performance and performance relative to index benchmarks. Aggregate portfolio performance is reflected net of all fees including those fees charged by YFA.

Client Referrals and Other Compensation

Incoming Referrals

YERKES FINANCIAL ADVISORS, INC. has been fortunate to receive many client referrals over the years. In fact, referrals are the primary source of firm growth. Referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The Firm does not compensate referring parties for these referrals.

Referrals Out

YERKES FINANCIAL ADVISORS, INC. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

The only other type of YFA compensation is from tax preparation fees. No client is obligated to use YFA as their tax preparer though most clients do utilize this service. Tax preparation fees vary based on time but typically range from \$800 to \$1,000 annually. First year tax preparation fees are typically one-third to one-half greater than ongoing annual fees. Additional fees are charged for minor children and when filing separate provides a greater benefit than filing jointly, then there is additional cost.

Custody

Account Statements

All assets are held at a qualified custodian, which means the custodian provides account statements directly to clients at their address of record, or electronically if so elected, at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodian to the performance report statements provided by YERKES FINANCIAL ADVISORS, INC.

Net Worth Statements

Clients may be provided Net Worth statements during the planning process and, in particular, during the estate planning process. Net Worth statements typically contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. Titling of assets is a critical aspect of the information gathering process. The Net Worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Investment Discretion

Discretionary Authority for Trading

The client provides and YERKES FINANCIAL ADVISORS, INC. accepts discretionary authority to manage securities accounts on behalf of clients. YERKES FINANCIAL ADVISORS, INC. 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.

As mentioned previously, major efficiencies are maintained when one custodian is utilized. Schwab is a nationally recognized brokerage firm and their transaction fees and other charges are competitive. YERKES FINANCIAL ADVISORS, INC. does not receive any portion of the transaction or other fees paid by the client to the custodian on any trades.

Discretionary trading authority facilitates placing trades in the client's account on their behalf **so** that YFA may implement the investment policy that has been approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for trading in the client's account. The client may sign a limited power of attorney **so** that YFA may execute the recommended trades.

Other authorizations that clients provide to YFA are the ability for the Firm to move funds between certain client accounts. Except for management fees, which are monitored by the custodian, YERKES FINANCIAL ADVISORS, INC. has no authority, nor will the custodian allow payment of any client funds to the Firm. Restricted access to client funds by anyone other than the client is critical for client security. Schwab custodial procedures only allow funds to be transmitted to the client's address of records unless written instructions provide otherwise.

Voting Client Securities

Proxy Votes

YERKES FINANCIAL ADVISORS, INC. does not vote proxies on securities. Clients are expected to vote their own proxies.

Although rare, when assistance on voting proxies is requested, YERKES FINANCIAL ADVISORS, INC. will discuss questions set forth by the client. If a conflict of interest exists, it will be disclosed to the client.

Financial Information

Financial Condition

YERKES FINANCIAL ADVISORS, INC. does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients.

Per regulatory provisions, a balance sheet is not required to be provided in this document because YERKES FINANCIAL ADVISORS, INC. does not serve as a custodian for client funds or securities, nor requires prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Business Continuity Plan

General

YERKES FINANCIAL ADVISORS, INC. is developing a Business Continuity Plan that will provide detailed steps to mitigate and recover from the loss of office space, communications, services or key personnel.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

YERKES FINANCIAL ADVISORS, INC. is developing a Business Continuation Agreement with another financial advisory firm to support YERKES FINANCIAL ADVISORS, INC. in the event of Matthew A. Yerkes' serious disability or death.

Information Security Program

Information Security

YERKES FINANCIAL ADVISORS, INC. maintains an information security program to reduce the risk that personal and confidential information may be breached.

Privacy Notice

YERKES FINANCIAL ADVISORS, INC. is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that the Firm collects from clients may include information about personal finances, information about health to the extent it is necessary in the financial planning process, information about transactions between the client and third parties, and information from consumer reporting agencies, e.g., credit reports. YFA uses this information to help the client meet personal financial goals.

With the client's permission, YFA discloses limited information to attorneys, accountants, and mortgage lenders with whom client relationships have been established. The client may limit any information that is exchanged with these third parties by notifying YFA at any time by mail, fax, email, or in person.

YFA maintains a secure office to ensure that client information is not placed at unreasonable risk. The Firm employs a firewall barrier, secure data encryption techniques and certain authentication procedures in its computer environment.

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

Personally identifiable client information will **be** maintained during the client relationship, and for the required period thereafter which records are required to be maintained **by** federal and state securities laws. After that time, information may be destroyed.

YFA will notify clients in advance **if** the privacy policy is expected to change. **YFA** is required by law to deliver this **Privacy Notice** to clients annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

YERKES FINANCIAL ADVISORS, INC. requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA, CPA or PFS. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

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

Certified Public Accountant (CPA): CPA's are licensed by the State of Ohio Accountancy Board by applying the following certification requirements:

- A bachelor's degree with minimum course requirements in accounting and other business subjects.
- Passing the Uniform (National) CPA Exam – all 4 sections including taxation, audit, practice and law.
- Minimum supervised experience of ■ – 3 years
- Passing an ethics course
- Maintaining a minimum level of continuing education.

NAPFA-Registered Financial Advisor; NAPFA is the National Association of Personal Financial Advisors and is the only national fee-only organization supporting only planning and advisory services in the fiduciary capacity. NAPFA embraces the “fiduciary standard” meaning considering the best interest of the client, i.e.:

- Always acting in good faith and with candor,
- Being proactive in both avoiding and disclosing any conflicts of interest, and,
- Not accepting any referral fees or compensation contingent upon the purchase or sale of a financial product.

Minimum requirements for a NAPFA-Registered Advisor include:

- Bachelor's degree
- Submission and acceptance of a written financial plan case study showing integration with all major planning areas including tax, estate, investment and insurance.
- Completion of at least 3 years of experience being primarily engaged in financial planning services
- Maintaining continuing education of 60 hours

Persona/Financial Specialist(PFS): The PFS designation credential is established by the Personal Financial Planning division of the American Institution of Certified Public Accounts (AICPA).

See detail at:

<http://www.aicpa.org/InterestAreas/PersonalFinancialPlanning/Pages/default.aspx>

The current major requirements are:

- CPA designation in good standing
- Member of the AICPA
- Completion of Comprehensive Education in the following areas which may be waived if other credentials are in place including CPA and NAPFA-Registered Advisor status. Otherwise, the requirements are as follows:
 - PFP Process and Fundamentals
 - Income Tax Planning
 - Insurance Planning
 - Investment Planning
 - Retirement Planning
 - Employee Benefits
 - Performance Management
 - Charitable Planning
 - Special Needs
 - See detail at:
<http://www.aicpa.org/InterestAreas/PersonalFinancialPlanning/Membership/Pages/PFSBodyofKnowledge.aspx>
- Completion of specified level of experience – 2 years

Matthew A. Yerkes, CPA**Educational Background:**

- Year of birth: 1952
- Certified Public Accountant (CPA) Certification – Ohio (1981)
- Personal Financial Specialist (PFS) Designation - AICPA
- University of Cincinnati (Masters of Science in Taxation – coursework complete, thesis outstanding - 1983)
- NASD Series 65 – Uniform Investment Advisor Law Examination (1999)
- Ball State University (Bachelor of Science – 1974)

Business Experience:

- Yerkes Financial Advisors, Inc. (1991 – Present)
- Jacobs Engineering, Regional Controller (1990 – 1991)
- PNC, Director of Tax, Cincinnati, Ohio (1985 – 1990)
- Huntington Bancshares, Inc. (Predecessor to PNC Acquisition), Assistant Manager – Tax Department (1985 – 1986)
- Deloitte Touche, Supervisor – Tax and Consulting (1981 – 1985)

Memberships and Affiliations (both current and prior):

- Cincinnati Estate Planning Council – Member and Past Board Member
- State of Ohio Accountancy Board – CPA
- National Association of Personal Financial Advisors (NAPFA)
- Financial Planning Association (FPA)
- AICPA – American Institute of Certified Public Accountants

Disciplinary Information: None

Other Significant Business Activities: None

Additional Compensation: None

Supervision: Matthew A. Yerkes, CPA is solely responsible for all decisions.