

Item 1 – Cover Page

**Delta Financial Advisors, Inc.**  
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**March 22, 2011**

**This brochure provides information about the qualifications and business practices of Delta Financial Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at (301) 962-0480 and/or [JFischetti@dfaservice.com](mailto:JFischetti@dfaservice.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 Delta Financial Advisors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Delta Financial Advisors, Inc. is 121907.**

**Any references to Delta Financial Advisors, Inc. as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.**

**Item 2 - MATERIAL CHANGES**

This is the initial disclosure brochure. Therefore, there are no material changes to disclose.

At least annually, this section will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

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#### **Item 4 - ADVISORY BUSINESS**

Delta Financial Advisors, Inc. (hereinafter referred to as “Delta”) is an investment advisory firm offering a variety of advisory services customized to your individual needs.

- A. Delta was established in January of 2001. Delta is wholly owned by Beverly Fiscetti, President.
- B. Delta offers the following advisory services. As previously stated, each of the services is more fully described below.
  - Financial Planning
  - Wealth Resources Management Program
  - 401k Overlay Utilizing Third Party Manager Platform
- C. Delta tailors the advisory services it offers to your individual needs. You may impose restrictions and/or limitations on the investing in certain securities or types of securities. Delta will ask you to complete a fact finder or data gathering questionnaire to assist Delta with obtaining information about your financial situation and history. Additionally, Delta will meet with you and conduct an interview and data gathering session to continue the due diligence process. The information gathered by Delta will assist Delta to provide you with the requested services and customize the services to your financial situation. Depending on the services you have requested, Delta will gather various financial information and history from you including, but not limited to:
  - Retirement and financial goals
  - Investment objectives
  - Investment horizon
  - Financial needs
  - Cash flow analysis
  - Cost of living needs
  - Education needs
  - Savings tendencies
  - Other applicable financial information required by Delta in order to provide the investment advisory services requested.
- D. Delta does not participate in any wrap fee programs.
- E. As of December 31, 2010, we have approximately \$45 million of client assets under our non-discretionary management. Delta does not accept discretionary authority. Therefore, there are no discretionary assets under management.

#### **Financial Planning Services**

Delta provides a variety of financial planning services, principally advisory in nature, to individuals or families regarding the management of their financial resources, based upon analysis of client's needs. Generally, such financial planning services will involve preparing a financial program for a

client based on the client's financial circumstances and objectives. Planning services are customized to the client's individual needs and areas where planning is needed. The following advisory services are offered:

- Comprehensive planning
- Retirement planning
- Education planning
- Estate planning
- Tax planning strategies
- Insurance and risk analysis
- Divorce planning
- Employee benefits analysis
- Qualified plan analysis and allocation
- Stock options analysis
- Debt management
- Investment planning and risk analysis
- Business owner planning and business transition and succession services
- Elder care planning
- Long term care analysis
- Hourly consultation services

The program developed specific to the client will usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or invest funds in securities. The Advisory Representatives may develop tax or estate plans for clients or refer clients to an accountant or attorney.

The Advisory Representatives may also create a cash flow analysis or work with and advise the clients as to the rearrangement of cash flow in order to fund certain long term objectives such as buying a house, planning for college, retirement, etc.

Financial plans are based on the client's financial situation at the time and are based on financial information disclosed by the client to Delta. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. Delta cannot offer any guarantees or promises that client's financial goals and objectives will be met. Further, clients must continue to review any plan and update the plan based upon changes in the client's financial situation, goals, or objectives or changes in the economy. Should client's financial situation or investment goals or objectives change, clients must notify Delta promptly of the changes. Clients are advised that advice or guidance on a client's insurance needs may be limited. Therefore, clients may need to seek other insurance professionals to review all insurance needs.

### **Wealth Resources Management Program**

Upon Delta completing its analysis of your situation, Delta will determine an asset allocation strategy customized to your financial goals, objectives and risk tolerance. Periodically, Delta will meet with the client or contact the clients to discuss recommendations for changes within the account and obtain the client's prior authorization before any buy, sell or exchange.

Clients are advised transactions in the account, account reallocations and rebalancing may trigger a taxable event for the client, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts. Delta does not vote proxies on behalf of clients.

### **401k Overlay Utilizing Third Party Manager Platform**

Delta has entered into an agreement with Retirement Management Systems ("RMS"), Inc. to offer its Savings Plan Management program to participants in an employer sponsored retirement plan. The Savings Plan Management program provides asset allocation services.

Delta will assist clients with evaluating their financial situation and assist clients to determine the suitability of a third party manager's service. Delta will be available to answer questions clients may have regarding their account and act as the communication conduit between the client and the manager. Additionally, Delta will monitor clients' accounts on an ongoing basis and continue to analyze the suitability of the manager for each client.

Delta will gather client information and client suitability information for Delta and RMS. Delta will provide RMS with the information gathered including risk tolerance, model portfolio selection, restrictions, plan information and available investment options within the client's retirement plan account program.

RMS will design model portfolios based on the investment options available to the client. RMS shall review the investments in each client account and provide investment management services by allocating and reallocating assets in the client account among the investment options available within the Plan.

Delta will assist the client to select a model portfolio. RMS will allocate the client's qualified account to the selected model. Further, RMS will periodically rebalance the account back to the selected model as deemed appropriate by RMS. Neither Delta nor its Advisory Representatives will have any trading authority with respect to client's managed account with RMS. Delta will not directly conduct any securities transactions on behalf of the clients. Clients are advised that the Savings Plan Management Program may be more costly to the client than if the client obtained execution and investment advisory services separately.

The client will be presented a copy of both RMS's Disclosure Brochure, and Delta's Disclosure Brochure, fully disclosing the services and fee schedules being provided to the client. Such documents will be presented to the client no later than the time at which the agreement is entered into.

## General Information

You are advised the investment recommendations and advice offered by Delta are not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. You are advised that it is necessary to inform Delta promptly with respect to any changes in your financial situation and investment goals and objectives. Failure to notify Delta of any such changes could result in investment recommendations not meeting your needs.

## Item 5 - FEES AND COMPENSATION

### Financial Planning Services

You are advised that fees for planning services are strictly for planning services. Therefore, you may pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.

Delta offers planning and advisory services on an hourly and fixed fee basis. Generally, consulting services, business owner planning and business transition and succession services are offered on an hourly fee basis.

#### *Fixed Fees*

Service	Maximum Fee
Comprehensive Planning	\$15,000
Retirement Planning	\$7,500
Education Planning	\$3,500
Estate Planning	\$7,500
Tax Planning Strategies	\$2,500
Insurance and Risk Analysis	\$2,500
Divorce planning	\$4,000
Employee benefits analysis	\$3,000
Qualified plan analysis and allocation	\$4,500
Stock Options Analysis	\$3,500
Debt Management	\$2,500
Investment Planning and Risk Analysis	\$5,000
Elder Care Planning	\$4,000
Long Term Care Analysis	\$3,000

One half (50%) of the initial fee is due upon completion and acceptance of the advisory agreement. The balance is due upon delivery of the report and/or analysis.

#### *Hourly Fees*

Hourly fees will range up to \$300 per hour, depending on the nature and complexity of each client's circumstances and staff resources, travel time, number of meetings, and number of other professionals and contacts required. Clients are advised the hourly rate of \$300 per hour is higher than the hourly fees charged by most other investment advisers.

Delta Financial Advisors, Inc.

Administrative and Clerical Rate	\$80 per hour
Para-Planner (Planning Associate)	\$150 per hour
Professional (CFP® and other designations)	\$300 per hour

An estimate of the potential fee approximated for the services will be provided at the start of the advisory relationship. Upon completion of the services clients will be provided a total of hours spent by Delta and total fees for services provided. Clients will pay an initial fee of one-half of approximated fee upon execution of the advisory agreement. Upon completion of the services clients will pay the balance of fees due which is calculated based on actual time less the deposit paid by the client. Hourly fees are negotiable and will be due to Delta upon completion of the work and recommendations have been presented. Hourly fees will be calculated based on a actual time expended by Delta.

Termination Provision

Clients may terminate services within five (5) business days after entering into the advisory agreement without penalty. After five (5) business days of entering into the advisory agreement, clients may terminate upon Delta's receipt of a client's written notice to terminate. The client will be responsible for any time spent by Delta providing the client advisory services or analyzing the client's situation. Any refunds due to the client for prepaid fees will be calculated based on Delta's hourly fee schedule outlined above.

**Wealth Resources Management Program**

- A. Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds.

Additional deposits to the account, with the exception to newly established accounts, or partial withdrawals from the account will not be subject to fee adjustments (i.e. prorated fee being charged during the quarter or a credit of fees during the quarter). However, newly established accounts will be charged a prorated fee based on each transfer and/or deposit based on the day deposited or transferred into the account. No fee adjustments will be made for Account appreciation or depreciation.

<b>Fee Breakpoint Levels*</b>	<b>Maximum Annual Advisory Fee*</b>
Up to \$250,000	\$5,000**
\$250,000 to \$500,000	2.00%
\$500,001 to \$1,000,000	1.75%
\$1,000,001 to \$3,000,000	1.50%
\$3,000,001 to \$5,000,000	1.00%
\$5,000,001 to \$10,000,000	0.80%
Over \$10,000,000	Negotiable



**\*Breakpoint levels refer to individual account values per account registration. Therefore, fees will not be determined based on an aggregate of all assets in a client portfolio but instead will be determined by each account number. Consequently, clients may pay different fees based on the account size for each account. However, as previously stated, the minimum managed asset size of \$100,000 is based on a client's household managed accounts.**

**\*\*Clients are advised the minimum annual fee of \$5,000 may be deemed excessive for accounts less than \$250,000. Further, clients may obtain asset management services from another investment adviser offering similar management and advisory services for a lower cost.**

Delta may change the above fee schedule upon 30-days prior written notice to you.

- B. Advisory fees will generally be collected directly from your account, provided you have given Delta written authorization. You will be provided with an account statement reflecting the deduction of the advisory fee direct from the account custodian. If the Account does not contain sufficient funds to pay advisory fees, Delta has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. You may reimburse the account for advisory fees paid to Delta, except for ERISA and IRA accounts.
- C. In addition to the advisory fees above, clients may pay fees for custodial services, account maintenance fees, and other fees associated with maintaining the Account. Delta does not share in any portion of such fees. Additionally, clients may pay their proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such fees are not shared with Delta and are compensation to the fund-manager. Clients should read the mutual fund prospectus prior to investing.
- D. The account fee will be paid quarterly in advance on a calendar quarterly basis. The initial advisory fee will be based on the value of the account upon account establishment and will be a prorated portion of the fee based on the number of days remaining in the calendar quarter. Thereafter, fees will be calculated based on the value of the account last business day of the just completed calendar quarter. Accounts established during a calendar quarter or terminated during a calendar quarter will be charged a prorated portion of the advisory fee based on the number of days the account was under management.
- E. You are advised Advisory Representatives of Delta are dually registered representatives of American Portfolios Financial Services ("American Portfolios"), a registered broker/dealer, member of the Financial Regulatory Association (FINRA) and SIPC. Advisory Representatives of Delta who are Registered Representative may receive trail commissions (i.e. 12b-1 fees) for a period of time as a result of directing securities transactions through American Portfolios. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from your assets. 12b-1 fees may be initially paid to American Portfolios and a portion passed to the Advisory Representatives. The receipt of such fees could represent an incentive for the

Advisory Representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest.

As stated above, Delta recommends mutual funds that pay 12b-1 fees and no-load funds.

If the account is opened with securities previously purchased through American Portfolios Financial Services, Inc. ("American Portfolios") or any of the Advisory Representatives, American Portfolios and the Advisory Representatives may have already received commissions on the purchase. If the account is opened with cash proceeds from the sale of securities purchased through American Portfolios or the Advisory Representatives, American Portfolios and/or the Advisory Representatives may already have received commissions on the sale.

You may purchase the securities recommended by Delta directly or through other brokers or agents not affiliated with Delta.

#### Termination Provisions

You may terminate investment advisory services obtained from Delta, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with Delta. You will be responsible for any fees and charges incurred from third parties as a result of maintaining the Account such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. Thereafter, you may terminate investment advisory services upon Delta's receipt of your written notice. Should you terminate investment advisory services during a calendar quarter, you will be issued a pro-rated refund of the advisory fee from the date of termination to the end of the calendar quarter.

#### **401k Overlay Utilizing Third Party Manager Platform**

The advisory fees charged by RMS may be higher or lower than the advisory fees charged by other third party managers. Disclosure of the advisory fees and any conflicts of interest with respect to the third party manager should be disclosed in RMS's disclosure brochure.

Clients may terminate participation in any third party managed program in accordance with the advisory contract with RMS.

Advisory fees are charged by RMS in accordance with the manager's fee schedule as disclosed in the manager's disclosure brochure.

Delta shall not be compensated on the basis of a share of either the capital gains, or capital appreciation, of any portion of the portfolio. Fees for the RMS program are as follows:

- RMS collects \$175 annually for their services per account
- Delta will be charging a total of either \$500/yr or \$350/yr depending upon the level of service.

*Basic Service* - \$350 annually. Client will receive: a) an initial consultation on retirement goals, time horizon, investment objectives; b) risk assessment; c) development of an asset allocation; d) selection of static rebalancing semi-annually or annually; and e) performance reporting.

*Executive Service* - \$500 annually. Client will receive a) an initial consultation on retirement goals, time horizon, investment objectives; b) risk assessment; c) development of an asset allocation; d) selection of static rebalancing semi-annually or annually; e) performance reporting; and f) an additional hour of consultation on customized advisory or planning needs on an annual basis.

Clients will have the option between paying the annual fee on an annual basis, quarterly, or monthly, based on client's anniversary date of entering into the program. Fees will be due in advance of the payment period selected by the client. Should client elect to pay the annual fee monthly or quarterly, client will be obligated for a full year's fee. Therefore, if client terminates RMS services within a year, client will be invoiced for the balance of the annual fee.

Clients may terminate Delta's services within five (5) business days of Client's execution of the advisory agreement without penalty. Thereafter, clients may terminate upon Delta's receipt of client's written notice to terminate. Clients are obligated to a full year's fee regardless of date of termination. Clients must consult the third party manager's agreement for termination and fee refund details.

## **Item 6 - PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT**

This section is not applicable to Delta since Delta does not charge performance based fees.

## **Item 7 - TYPES OF CLIENTS**

Delta's services are geared toward individuals both high net worth (i.e. clients with a net worth of \$1,500,000) and other than high net worth.

Generally, Delta will require a minimum asset size of \$100,000 for participation in Delta's management services. The minimum asset size is determined based on all managed assets in a client household. However, exceptions may be made depending on the circumstances of the client's situation and complexity of the client. You are advised performance may suffer due to difficulties with diversifying smaller accounts and due to risk controls potentially being compromised. Performance of smaller accounts may vary from the performance of accounts with more dollars invested due to fluctuations in the market may affect smaller accounts more and the effects of compounding may be greater in larger accounts.

Delta charges the greater of a minimum annual fee of \$5,000 or the percentage based fee as disclosed under the Wealth Resources Management Program above. The minimum annual fee may be deemed excessive for accounts less than \$250,000. Further, clients may obtain asset management

services from another investment adviser offering similar management and advisory services for a lower cost.

## **Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

- A. Delta uses various methods of analysis to determine the securities selected and asset allocations. Delta utilizes fundamental, technical, charting and cyclical analysis. Fundamental analysis generally involves assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. Technical analysis generally involves studying trends and movements in a security's price, trading volume, and other market-related factors in an attempt to discern patterns. Charting is a form of technical analysis in which various factors are diagrammed in order to illustrate patterns. Cyclical is attempting to determine the patters of how the economy and/or the market affect a security and attempt to determine the highs and lows of the security.

When appropriate to the needs of the clients, the Advisory Representative may recommend the use of short-term trading (securities sold within 30 days). Because this investment strategy bears a certain degree of risk, it will only be recommended when consistent with the client's stated risk tolerance and investment objectives.

- B. You are advised investing in securities involves risk of loss, including the potential loss of principal. Therefore, your participation in any of the management programs offered by Delta will require you to be prepared to bear the risk of loss and fluctuating performance.

Delta does not represent, warrantee or imply that the services or methods of analysis used by Delta can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Delta will provide a better return than other investment strategies.

- C. Delta primarily uses mutual funds and exchange traded funds (ETFs). The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of managers, and fund straying from its objective. Open ended mutual funds do not typically have a liquidity issue and the price does not fluctuate throughout the trading day. Mutual fund fees are described in the fund's prospectus, which the custodian mails directly to the client following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's Web site. At the client's request at any time Delta will direct the client to the appropriate Web page to access the prospectus.

ETFs trade on an auctionable market. Therefore, there is more price fluctuation with ETFs than with mutual funds since ETFs trade throughout the day, whereas mutual funds are priced once a day. Also, since most ETFs only mirror a market index, such as the S&P 500, they won't outperform the index.

## **Item 9 - DISCIPLINARY INFORMATION**

There is no reportable disciplinary information required for Delta or its management persons that is material to your evaluation of Delta, its business or its management persons.

## **Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

- A. As previously stated, Advisory Representatives are dually registered as an advisory representative of Delta and as a registered representative of American Portfolios. You are under no obligation to purchase or sell securities through your Advisory Representative. However, if you choose to implement the plan, commissions may be earned in addition to any fees paid for advisory services. Commissions may be higher or lower at American Portfolios than at other broker/dealers. Advisory Representatives may have a conflict of interest in having you purchase securities and/or insurance related products through American Portfolios in that the higher their production with American Portfolios the greater potential for obtaining a higher pay-out on commissions earned.

Under the rules and regulations of the FINRA, American Portfolios has an obligation to perform certain supervisory functions regarding certain activities engaged in by advisory representatives who are also registered representatives of American Portfolios. For such supervisory functions, Delta may pay American Portfolios a portion of the advisory fees they receive. American Portfolios and Delta are not affiliated.

- B, C. Delta is not and does not have a related person who is a: futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. Further, Delta is not and does not have a related person who is: broker/dealer or other similar type of broker or dealer; investment company or other pooled investment vehicle, other investment adviser or financial planner; futures commission merchant or commodity pool operator; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of a limited partnership.

Delta attempts to mitigate the conflicts of interest with the potential receipt of commissions if recommendations are implemented by providing you with these disclosures. Further, you are encouraged to consult other professionals and may implement recommendations through other financial professionals. Furthermore, as a registered representative with American Portfolios, Advisory Representatives are subject to a supervisory structure at American Portfolios for his securities business.

Delta and its management persons are not actively engaged in any other business. Further, Delta does not have a related person who is a: broker/dealer or other similar type of broker or dealer; investment company or other pooled investment vehicle, other investment adviser or financial planner; futures commission merchant or commodity pool operator; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of a limited partnership.

- D. As stated under Item 4, *Advisory Business* above, Delta recommends other investment advisers (i.e. third party managers) and will receive a portion of the fee charged to you by the investment adviser. Since Delta has an interest in the compensation this is considered a material conflict of interest. Delta selects third party managers based on several criteria including cost, type of management, past history, ability to meet a need and provide a unique service. Since the fee charged to you is based on the value of your portfolio, all parties have an incentive to work toward performance goals and objectives. Consequently, if the third party manager does not adequately manage your account and the value of your portfolio goes down, so does the third party manager's and Delta's compensation.

Delta and its management persons are not actively engaged in any other business.

## **Item 11 - CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code Of Ethics**

- A. Delta has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. Delta takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Delta's policies and procedures. Further, Delta strives to handle your non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides you with Delta's Privacy Policy. As such, Delta maintains a code of ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Further, Delta's Code of Ethics establishes Delta's expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.
- B. Neither Delta nor its associated persons recommends to clients or buys or sells for client accounts any securities in which we have a material financial interest.
- C. Delta and its associated persons may buy or sell securities identical to those securities recommended to you. Therefore, Delta and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold to you. It is the expressed policy of Delta that its Advisory Representatives may not purchase or sell any individual stock or bond prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such Advisory Representatives from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent a conflict of interest, Delta has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1 - A Director, officer or Advisory Representative shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with Delta or American Portfolios, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory clients. (1) (2)
- 2 - All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
- 3 - Delta emphasizes the unrestricted right of the clients to decline to implement any advice rendered, except in situations where a Third Party Advisory Service is granted discretionary authority in the client's account.
- 4 - Delta requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 5 - Any individual not in observance of the above may be subject to termination.

### **Footnotes**

- (1) This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of Delta's client's trade in sufficiently broad markets to permit transactions by client to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exception may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with Delta's records in the manner set forth above.
  - (2) Open-end mutual funds and/or the investment sub-accounts which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by Delta's Investment policies and procedures.
- D. Delta is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of your transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information.

### **Item 12 - BROKERAGE PRACTICES**

As previously stated, Advisory Representatives are registered representatives of American Portfolios. As a result they are subject to FINRA Conduct Rule 3040 which may restrict them from conducting securities transactions away from American Portfolios unless American Portfolios provides him with written authorization. Delta is independently owned and operated and not affiliated with American Portfolios.

## Delta Financial Advisors, Inc.

You are advised that not all investment advisers require you to maintain accounts at a specific broker/dealer. You are advised you may maintain accounts at another broker/dealer. However, the services provided by Delta will be limited to only advice and will not include implementation. If you who select another brokerage firm for custodial and/or brokerage services you will not be able to receive asset management services from Delta.

In initially selecting American Portfolios, Delta conducted due diligence. Delta's evaluation and criteria includes:

- Ability to service you
- Staying power as a company
- Industry reputation
- Ability to report to you and to Delta
- Availability of an efficient trading platform
- Products and services available
- Technology resources
- Educational resources
- Execution capability
- Financial responsibility and viability
- Confidentiality and security of your information
- Responsiveness
- Other factors that may bear on the overall evaluation of best price and execution

Additionally, periodically Delta will review transaction costs in light of current market circumstances, available published statistical analysis as well as other relevant information.

Best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a custodian, but rather, all criteria taken together will be used in evaluating the currently utilized custodian.

You are advised there is an incentive for Delta and the Advisory Representatives to recommend a broker/dealer over another based on the products and services that will be received rather than your best interest.

American Portfolios has a wide range of approved securities products for which American Portfolios performs due diligence prior to selection. American Portfolios' registered representatives are required to adhere to these products when implementing securities transactions through American Portfolios. Commissions charged for these products may be higher or lower than commissions you may be able to obtain if transactions were implemented through another broker/dealer. American Portfolios also provides Advisory Representatives, and therefore the Delta, with back-office operational, technology, and other administrative support. Other services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. Such services are intended to help Advisory Representatives and Delta manage and further develop its business enterprise.

American Portfolios and its clearing broker/dealer, Pershing, LLC also make available to Delta other products and services that benefit Delta but may not directly benefit you. Some of these other



products and services assist Delta with managing and administering your accounts. These include software and other technology that provide access to your account data (such as trade confirmation and account statements); facilitate trade execution; provide research, pricing information and other market data; facilitate payment of Delta's fees from your accounts; and assist with back-office functions; recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Delta 's accounts, including accounts not held through American Portfolios.

Delta may aggregate (“bunch”) transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or bunched orders will not reduce the transaction costs to participating clients. Delta conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average share price per share for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated on a random basis. Under certain circumstances, the amount of securities maybe increased or decreased to avoid holding odd-lot or a small number of shares for particular clients.

### **Item 13 - REVIEW OF ACCOUNTS**

- A. If engaged to perform asset management services, Delta will normally review your investment portfolio annually or as agreed. Delta will monitor for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. It is recommended financial plans be reviewed on a periodic basis, normally once a year. .

The following individuals conduct reviews:

Beverly Fischetti, President, Advisory Representative

Joseph Fischetti, Chief Compliance Officer, Advisory Representative

Aaron Szager, Advisory Representative

- B. You are advised that you must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require him review the potfolio allocation and make recommendations for changes.
- C. You will be provided statements at least quarterly direct from the account custodian. Additionally, you will receive confirmations of all transactions occuring direct from the account custodian. At least annually when you attend the annual review, Delta will provide you with a consolidated report of your managed account. You should compare the report with statements received direct from the account custodian. Should there be any discrepancy the account custodian’s report will prevail.

#### **Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

- A. Product vendors recommended by Delta may provide monetary and non-monetary assistance with client events, provide educational tools and resources. Delta does not select products as a result of any monetary or non-monetary assistance. The selection of product is first and foremost. Delta's due diligence of a product does not take into consideration any assistance it may receive. Therefore, this is not considered a conflict of interest but a benefit for you and Delta.
- B. Delta does not directly or indirectly compensate any person who is not a supervised person of Delta for referrals. Further, Delta does not receive an economic benefit from a non-client for providing investment advice or advisory services to you.

#### **Item 15 - CUSTODY**

With the exception of deduction of Delta's advisory fees from your accounts, Delta does not take custody of your funds or securities.

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct your account custodian to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. Your account custodian maintains actual custody of your assets. You will receive account statements directly from your account custodian at least quarterly. They will be sent to the email or postal mailing address you provided. You should carefully review those statements promptly when you receive them.

#### **Item 16 - INVESTMENT DISCRETION**

Delta does not accept discretionary authority to manage securities account on behalf of clients. Changes to your portfolio will be discussed with you before execution.

#### **Item 17 - VOTING CLIENT SECURITIES**

Delta does not vote your securities. Unless you suppress proxies, securities proxies will be sent directly to you by the account custodian or transfer agent. You may contact Delta about questions you may have an opinions on how to vote the proxies. However, the voting and how you vote the proxies is solely your decision.

#### **Item 18 - FINANCIAL INFORMATION**

- A. Delta will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.
- B. We are financially stable. There is no financial condition that is likely to impair our ability to meet our contract actual commitment to you or any other client.

C. Neither Delta nor any of its Advisory Representatives has ever been the subject of a bankruptcy petition.

**Item 19 - REQUIREMENTS FOR STATE REGISTERED ADVISERS**

This section is not applicable to Delta. Delta is not state registered. Delta is registered with the Securities and Exchange Commission.