

**Part 2A of Form ADV: Firm Brochure**

**Item 1 Cover Page**

Brochure Date: 03/30/2012

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This brochure provides information about the qualifications and business practices of Vawter Financial, Ltd. If you have any questions about the contents of this brochure, please contact us at 614-451-1002 or [info@vawterfinancial.com](mailto:info@vawterfinancial.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 Vawter Financial, Ltd. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Vawter Financial, Ltd. is a Registered Investment Advisor (RIA) with the U. S. Securities and Exchange Commission (SEC). Registration does not imply a certain level of skill or training.

## **Item 2 Material Changes**

### **Item 4 Advisory Business**

#### About Our Firm

Gary earned the Accredited Estate Planner® (AEP®) designation as well as a certificate in Estate Planning and Taxation in 2012.

Lori A. Morris, CFP®, MBA and James Day, CFP® are no longer representatives affiliated with Vawter Financial, Ltd.

#### Assets Under Management

As of March 25, 2012, our assets under management total approximately \$40,500,000. Of the total managed assets, approximately \$33,000,000 is managed on a discretionary basis and \$7,500,000 is managed on a non-discretionary basis.

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

Lori A. Morris, CFP®, MBA and James Day, CFP® are no longer representatives affiliated with Vawter Financial, Ltd.

#### Accountants/Tax Preparers

VF has only been recommending Karen Pomajevich of CPA Solutions to clients seeking an accountant/tax preparer.

### **Item 15 Custody**

Some clients wish to provide us with online access to outside accounts that VF cannot directly manage, such as employer retirement plans, so that these assets can be included in their overall portfolio review. VF staff will view the account balances and investment holdings, and use this information in reports that we prepare, but does not have the authority to make changes to the account in any way.

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#### About Our Firm

Vawter Financial, Ltd. is an independent fee-based financial services company, providing comprehensive financial planning and investment management services to its clients to help them achieve their unique personal and business financial objectives.

Gary Vawter, CFP®, MS has been the Principal Advisor and Owner of Vawter Financial, Ltd. since 1991. He has been a Registered Representative providing investment and financial planning to individuals since 1985. Gary received his Bachelor of Science in Business Administration majoring in Finance from The Ohio State University, and later the Certified Financial Planner™ (CFP®) certification from the College for Financial Planning in Denver, CO. He received his Master of Science (MS) degree with the specialty of retirement planning from the College for Financial Planning in 1993. He earned the Accredited Estate Planner® (AEP®) designation as well as a certificate in Estate Planning and Taxation in 2012. Gary also holds the Series 6, 7, 25, 53, and 62 licenses, and is licensed by the Ohio Department of Insurance for life, health, disability and variable products.

Gary Vawter oversees two other Registered Representatives of CIR: Nancy Powell, CFP® and Ray Watson, LUTC. Ray Watson is the owner and agent of Ray A. Watson & Associates, located in our office suite.

#### Personalized Advisory Services

The financial planning and investment advice that we provide is tailored to the individual needs of our clients. We understand that each client's goals are unique, as are the various factors of their personal and professional lives on which their financial plan and investment portfolio is built. Our plans, strategies and recommendations are adaptive to the changes in our clients' goals, priorities and financial situations.

#### Financial Planning Services

We provide comprehensive financial planning services to our clients, including:

- **Tax Planning:** Review current and projected cash flows with respect to tax brackets. Discuss strategies for current and future income tax reduction. Ongoing analysis/recommendation on tax planning strategies with respect to legislative changes and amendments. Recommend and facilitate conversations with allied advisors when necessary.
- **Estate Planning:** Review current estate planning documents and discuss estate tax saving strategies. Coordination with other allied professionals and advisors to assist with the implementation of estate planning recommendations. Analysis and recommendations regarding various gifting/charitable strategies for income, tax, and estate minimization purposes. Recommend and facilitate conversations with allied advisors when necessary
- **Retirement Income Planning:** Review and analyze current retirement savings plans, discuss alternate available retirement plan options and strategies. Review current and expected lifestyle needs and potential changes.
- **College Expense Funding:** Determine suitability of various college funding vehicles and strategies. Coordination of account titling and registration to maximize available Federal Financial Aid packages and awards. Cost analysis and projections to develop funding strategies
- **Debt and Cash Flow Planning:** Review current and anticipated sources and needs of cash. Creation of cash flow statement and analysis of current debt expense. Identify capacity issues with respect to prioritization and allocation of current income sources. Review overall debt structure and suggest ways to improve and/or eliminate. Recommend and facilitate conversations with lending specialists when necessary.
- **Business Owner Planning:** Discuss business entity considerations. Review suitability of qualified plan options. Income planning and tax considerations. Business succession planning consideration and strategies.

#### Financial Planning Services (continued)

- **Insurance Needs Analysis:** Review current life insurance policies. Provide analysis for need of more/less coverage based on available and required resources. Review titling and beneficiary designations of all insurance policies and the effect on potential estate tax liability. Recommend and facilitate conversations with insurance professionals when necessary.
- **Corporate Executive Planning:** Review of benefit and compensation packages, stock option strategies. Review and analysis of supplemental executive benefits such as cafeteria plans, life insurance, and deferred compensation agreements.

#### Investment Management Services

Our firm recommends products and investments that help clients keep acquisition and ownership costs low while striving for best-in-class returns. We typically recommend that our clients maintain a diversified portfolio with an equity to fixed income ratio that we feel reflects each client's personal financial objectives. Investments that we may recommend a client purchase include mutual funds, exchange traded funds (ETFs), individual stocks, and in some cases, special products such as real estate investment trusts (REITs) and managed futures among others. There is a vast array of investment options available to our clients which exceeds options available through most traditional retail clearing firms such as Charles Schwab, TD Ameritrade, Vanguard and Fidelity among others. Each of the investment companies we use has a selling agreement with CIR.

If a client would like to request any restrictions on investing in certain securities or types of securities, we ask that they provide a signed written request which includes the reason for the restrictions. We will create their investment portfolio around these restrictions, if possible, while adhering to our company standards and Code of Ethics.

#### Wrap Fee Program

Per our recommendation, most VF clients participate in a fee-based wrap program, typically the Cambridge Managed Account Program (CMAP) offered through our broker-dealer, CIR. CMAP is a Rep/Advisor directed asset management program which allows VF flexibility in regards to management strategies and investment products. Assets held in CMAP accounts are subject to the fee schedule agreed upon by the client in our advisory agreement, also noted in *Item 5: Fees and Compensation* of this document. VF receives a portion of the program fee for our services. Typically, the minimum primary account size to participate in the CMAP program is \$25,000 per account.

Clients with assets held directly with account custodians rather than with the CMAP program generally have less flexibility in investment products, but direct accounts may be more appropriate for an investor with lower account values and less involved investing needs.

Clients may also participate in an asset management service such as the Cambridge Asset Allocation Platform (CAAP) or Symmetry Partners, LLC (SP). For more information regarding these services, see *Item 5: Fees and Compensation* and *Item 13: Review of Accounts*.

#### Assets Under Management

As of March 25, 2012, our assets under management total approximately \$40,500,000. Of the total managed assets, approximately \$33,000,000 is managed on a discretionary basis and \$7,500,000 is managed on a non-discretionary basis.

Term of Agreement and Termination

Our advisory agreement shall be valid for one (1) year from the effective date and will be automatically renewed for one (1)-year terms. However, either party may terminate the agreement at any time by giving written notice. See *Item 5: Fees and Compensation* regarding refunds of the portion of the prepaid management fee which is not utilized.

VF will not accept instructions to terminate the agreement unless such instructions are provided in writing by the client. All written notice shall be deemed effective when received by VF at its office at 1161 Bethel Road, Suite 304, Columbus, OH 43220, or by client at the address of record unless notified in writing to the contrary. Receipt of an e-mail or facsimile transmission by either party will constitute receipt of proper written notice. Client agrees to indemnify and hold harmless VF upon receipt of an e-mail or facsimile transmission in client's name.

## Item 5 Fees and Compensation

### How We Are Compensated

There are two components to the advisory fee we charge – an Investment Management (IM) fee and a Financial Planning (FP) fee. All IM and FP fees are paid in advance by the client at the beginning of each calendar quarter. Clients have the option of having their fees drawn from an investment account managed by VF or paying by check. Clients receive an invoice at the beginning of each quarter stating the total values of assets on which their quarterly fee is based.

The initial IM and FP fees will be billed in arrears at the beginning of the quarter following the date the initial advisory agreement is signed. The IM fee will be pro-rated and based on the date the assets have transferred to an account managed by VF. The FP fee will be pro-rated and based on the date of the advisory agreement.

### Investment Management Fees

The IM fee is based upon an approximate value of the assets will manage, according to the following fee schedule:

#### Standard quarterly fee for investment management (only) services:

|                         | <u>Annual Fee</u> | <u>Quarterly Fee</u> |
|-------------------------|-------------------|----------------------|
| \$ 0-\$1,000,000        | 1.00%             | 0.250%               |
| \$1,000,001-\$3,000,000 | 0.50%             | 0.125%               |
| Over \$3,000,000        | Negotiable        | Negotiable           |

IM fees are adjusted each quarter using account values as of the last day of the previous quarter to reflect any changes in the value of assets managed.

Outside assets for which we provide investment advice but cannot manage directly are billed at an annual flat rate of 0.5%.

Cambridge Investment Research, Inc. (CIR) retains a portion of the investment management fees charged to the client as compensation for services they provide to VF. VF and CIR are not affiliated.

### Financial Planning Fees

The FP fee is based upon what we judge to be the complexity and amount of time we will need to help our clients accomplish their financial planning objectives.

This fee may change depending on whether or not new complexities present themselves. Any changes made to a FP fee will be discussed with clients in advance, and a new advisory agreement will be signed to reflect the changes.

### Annual Retainer Fees

In some cases, VF may accept an annual retainer fee for advisory services in place of the IM and FP fees. Our minimum annual retainer fee is \$1,500, which is negotiable.

### Hourly Fees

VF may also agree to provide advisory services on an hourly basis. Our hourly fees are based on the following non-negotiable rates:

|                |          |
|----------------|----------|
| Lead Advisor   | \$300.00 |
| Book Advisor   | \$175.00 |
| Administrative | \$ 60.00 |

#### Hourly Fees (continued)

There is a \$60.00/month charge for account maintenance and supervision for clients invoiced on an hourly basis.

For clients who pay IM and FP fees, some services which are considered above usual and customary may be billed on an hourly basis. Clients will be notified in advance if additional charges apply.

#### Custodian Fees

Some investment accounts may be subject to annual maintenance fees charged by the account custodian, usually on or around the anniversary of the date the account was opened. Clients have the option of having these fees drawn from the associated account or paying by check.

Processing fees and recordkeeping fees may apply to some account types, such as individual 401(k)s. If applicable, these fees will be disclosed to the client in advance of his/her agreement to open/own these type accounts.

An annual special products fee may be charged by our broker-dealer (Cambridge Investment Research, Inc.) for certain investments recommended by VF. If applicable, this fee will be disclosed to the client in advance of his/her agreement to purchase such products. Special products include non-traditional investments such as managed futures and non-traded real estate investment trusts, among others.

#### Mutual Fund Expenses

For our clients that pay an IM fee, we primarily recommend the purchase of no-load or load-waived mutual funds and investments that do not pay upfront sales charges and 12b-1 trails. If a client chooses to purchase or retain such assets due to superior performance, income tax considerations or other reasons, VF will receive the 12b-1 fees which are generally charged at a rate of 0.25% per year or less of the asset value. Advisory fees are not reduced to offset any commissions received from new or existing investments in such situations as described above.

#### Commission Arrangements

As a registered representative, we can implement recommendations and receive commissions if this is the client's preferred compensation structure.

Cambridge Investment Research, Inc. (CIR) retains a portion of the commission charged to the client as compensation for services they provide to VF. VF and CIR are not affiliated.

#### Transaction Costs

Many funds that VF recommends do not have transaction fees. However, if applicable, clients who have signed an advisory agreement pay the ticket charges for purchases and sales of investments within their accounts. These fees are generally less than \$25 per transaction and are paid directly from the account at the time of the transaction.

#### Symmetry Partners

Clients whose assets are managed by Symmetry Partners, LLC (SP) may be subject to an alternative fee schedule which is reduced by 0.25% at each breakpoint to allow for SP's investment management fees. SP bills accounts held with their company on a quarterly basis and in arrears. Investment management fees are determined by SP based on assets held in the accounts on the last day of the quarter, and are prorated for any accounts transferring in during the quarter. Fees are drawn directly from the client's account(s) as requested by the advisor.



#### Cambridge Asset Allocation Program (CAAP)

Clients whose assets are managed by the Cambridge Asset Allocation Program (CAAP) may be subject to an alternative fee schedule which is reduced to allow for CAAP's investment management fees which vary depending on the program chosen. Typical program fees range from 0.25% to 0.50%. CAAP bills accounts managed through their program on a quarterly basis and in advance. Investment management fees are determined by CAAP based on assets held in the accounts on the last day of the quarter, and are prorated for any accounts transferring in during the quarter. Fees are drawn directly from the client's account(s) as requested by the advisor.

#### Purchase Options

Clients have the option of purchasing investment products recommended by VF through other brokers or agents that are not affiliated with our firm.

#### Advisory Agreement Termination

In the event that an advisory agreement is terminated by either party before the end of the billing period, the client will receive a pro-rated refund of their pre-paid quarterly fees based upon the date the termination notice is received (or issued) by VF. See *Item 4: Advisory Business* for additional information regarding termination of the advisory agreement.

Item 6      *Performance-Based Fees and Side-By-Side Management*

Our investment management (IM) fees are calculated using a fee schedule based on the value of assets under management; therefore, a client's IM fee may increase or decrease depending on the value of the assets subject to the investment management agreement. However, we do not charge fees based on a share of capital gains or capital appreciation of assets, also known as performance-based fees.

Item 7      Types of *Clients*

We typically provide investment advice to individuals, trusts, and small business owners, including those with 401ks or pension plans. In some cases, we may refer a small business owner with an employer plan to an unaffiliated plan servicing representative to manage the plan and its assets (VF will receive no additional compensation from this arrangement).

Our minimum annual retainer fee is \$1,500, which is negotiable. The minimum combined annual IM and FP fees for clients who sign an advisory agreement is \$1,500. The minimum value to open and maintain an investment account is \$200,000 and/or subject to the requirements of the account custodian. We reserve the right to waive or raise the minimum annual fee and/or account size.

Strategic Asset Allocation

We recommend a target equity to fixed income asset mix based on each client's individual financial situation and financial objectives. We suggest periodically rebalancing of a client's assets in order to maintain a range centered around the target mix as well as the risk potential, an approach known as "strategic asset allocation." When substantial growth in one category leads to an overexposure relative to others, investments in this category should be trimmed back (profits taken) and reallocated to where those where growth has not been as strong. This often results in a "selling high, buying low" approach to investing. Behavioral finance studies tell us people would rather do the opposite. We are a buy-hold investment firm preferring to use the Warren Buffett approach to investing – be greedy when others are fearful, and fearful when others are greedy.

Diversification

While most all of our clients are interested in having their wealth grow over time, their primary objective is to not lose what they've accumulated. Investing in any one particular type of security as this may increase the potential for hitting a "home run", but it also brings in more chances to "strike out". We strongly recommend a diversified financial portfolio for all of our clients to help reduce risk; however, it is important to understand that diversification does not necessarily prevent the loss of principal.

Fund Analysis

When choosing funds to recommend to our clients, we use data from outside sources (mainly Morningstar) to compare fund expenses, performance as compared to other funds within the same category (typically over the last 1-, 3-, and 5-year periods), total returns (also typically over the last 1-, 3-, and 5-year periods) and standard deviation, among other factors. We continue to monitor the investments held by our clients during periodic portfolio reviews.

Risk of Loss

Investing in any securities involves a risk of loss that clients should be prepared to bear. We impress upon clients that there are no "risk-free" investments. Even FDIC insured investments, after considering taxes and inflation, can cause a person to lose purchasing power over time. This in turn can jeopardize their standard of living while in their retirement years. We believe a prudent level of risk is necessary to combat the loss of purchasing power and other uncertainties when pursuing their goals.

Item 9      Disciplinary Information

Vawter Financial, Ltd. and its management personnel have not been the subject of any legal or disciplinary events by a criminal or civil court, regulatory agency, or self-regulatory organization.

## Item 10 Other Financial Industry Activities and Affiliations

Gary Vawter, Nancy Powell and Ray Watson are Registered Representatives of Cambridge Investment Research, Inc. Clients who wish to use the financial planning services of any of the above Representatives are under no obligation to use Cambridge Investment Research, Inc. Cambridge Investment Research, Inc. and Vawter Financial, Ltd. are not affiliated.

In the process of providing comprehensive financial planning to our fee-based clients, VF may recommend services that we feel are beneficial to the client in reaching their goals, such as estate planning and insurance services. We strive to develop relationships with other professionals who adhere to the same principles that our firm adopts to work in the best interest of the client. VF does not receive any direct or indirect benefits from these introductions.

### CMP Financial

See *Item 14: Client Referrals and Other Compensation* for information regarding VF's relationship with Christina Povenmire, CFP®, MBA of CMP Financial, a former Registered Representative supervised by our office. Christina Povenmire is mainly involved in providing financial planning and/or investment advice to VF clients with whom she was previously the primary Investment Advisor Representative (IAR). She provides advisory services to these clients according to VF standards as described in this document. No conflicts of interest arise from VF's relationship with Christina Povenmire or CMP Financial. Gary Vawter makes all final investment and financial planning decisions.

### Accountants/Tax Preparers

For our clients looking for tax preparation services or consultations, we refer our clients to Karen Pomajevich of CPA Solutions. With the approval of our mutual clients, we communicate with this tax preparer on a regular basis and provide her with input on the clients' account transactions and copies of tax documents related to their accounts managed by our firm. VF receives no fees when our clients use CPA Solutions' tax services.

### Attorneys

Below are law offices that we often recommend to our clients:

|                    |                      |
|--------------------|----------------------|
| Robert Giffin      | David Onega          |
| Robert Kennedy     | Bailey Cavalieri LLC |
| 4924-B Reed Rd     | 10 West Broad St #21 |
| Columbus, OH 43220 | Columbus, OH 43215   |

There may be other attorneys to whom we would refer VF clients as well, depending on the client's needs. None of the firms above compensate VF for our referrals.

### Insurance Agents

We can assist clients with implementing insurance issues by recommending an agent. The agency of Ray A. Watson & Associates (RWA) has been recommended by our firm most often. Mr. Watson is a Registered Representative whose securities activities are supervised by our office. We receive no compensation from RWA for our referrals or products purchased through Ray Watson.

### Pension Consultants

Our firm most often refers clients with qualified retirement plans to Earl Avakian, CLU of The Avakian Financial Group (AFG) as the plan servicing representative. We receive no compensation from AFG for our referrals.

### Lending Specialists

Our firm most often refers clients with loan and lending needs to Michael Dolby of First Place Bank. We receive no compensation for these introductions or for products that our clients secure from them.

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

Our Code of Ethics describes the policies and procedures adopted by our firm to ensure that VF Investment Advisors, supervised persons, and other employees are not taking advantage of their position and that the best interest of our clients is placed above all else. Our policies are designed to prevent the misuse of non-public information held by our firm, reporting of personal securities transactions, and trading of restricted securities of which any person associated with our firm may have direct or indirect beneficial ownership.

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Employees and Advisors do own shares in some of the same securities that are recommended to our clients, but they do not in any way receive a personal benefit, directly or indirectly, from clients owning the same security, nor does any person related to the employee or Advisor receive any personal benefit. Employees and Advisors are required to provide access to or copies of account statements and confirmation for any brokerage accounts they own to the Chief Compliance Officer at VF and/or any regulatory bodies that request this information.

Item 12      Brokerage Practices

All transactions for applicant's advisory service will be effected by CIR (Cambridge Investment Research, Inc.) through its clearing broker, or the Pershing division of Donaldson, Lufkin & Jenrette Securities Corp. We have found them to offer the most competitive pricing for the trading of non-proprietary, independent mutual funds such as those offered by Vanguard, among others.



Portfolio and Planning Reviews

In-depth reviews of client's investment portfolios and financial plans are completed at least annually; the scope depends on the complexity of a client's financial position. Our main emphasis is to ensure that a client's portfolio and the strategies now in place are consistent with their stated goals. During our periodic reviews, we may discuss items in the following areas: retirement planning, income tax planning, estate planning, insurance planning, college planning, debt management, business planning, asset allocation and investment performance. Some review meetings are scheduled to explain recent developments in the client's portfolio and/or the financial markets. The client is given a summary of their portfolio, including accounts, investment holdings and performance at each meeting. Other reports which are prepared in-house or using financial planning software may also be reviewed with the client, as needed.

Portfolio reviews are conducted by Gary Vawter, CFP®, MS, President, Nancy Powell, CFP®, and /or Ray Watson, LUTC. We may also occasionally receive assistance advising clients from Christina Povenmire, CFP®, MBA, owner of CMP Financial in Columbus, Ohio. Christina Povenmire is not employed by or affiliated with VF. Clients are always made aware that Christina will be reviewing their portfolios and financial plans, and they must give their consent prior to Christina accessing any information regarding the client or their financial information. VF pays Christina a consulting fee in cases where she is involved in advising clients. In all cases, Gary Vawter completes the final review.

Quarterly Portfolio Reports

Fee-based clients typically receive an Account Performance report during the first month of each quarter which shows their accounts with holdings, change in values, and investment returns for the report period (usually one year trailing the latest quarter end). This report is generated by our broker-dealer-provided online account information and reporting software, and is mailed to clients from our office. The quarterly Account Performance report is accompanied by a general market overview letter written by an advisor at our firm.

Symmetry Partners

Some of our clients hold accounts with Symmetry Partners, LLC (SP), an investment management company. For a percentage of investment management fees, SP reviews and rebalances accounts annually based on an equity to fixed income ratio determined by the advisor. Our advisors work with SP to keep the client's accounts in line with their overall financial plan.

Cambridge Asset Allocation Program (CAAP)

Some of our clients hold accounts which are managed by an investment management program offered by our broker-dealer, Cambridge Asset Allocation Program (CAAP). For a percentage of investment management fees, CAAP reviews and rebalances accounts quarterly or annually based on an equity to fixed income ratio determined by the advisor. Our advisors work with CAAP to keep the client's accounts in line with their overall financial plan.

Account Statements and Transaction Confirmations

All clients receive monthly or quarterly account statements and transaction confirmations directly from the institution(s) having custody of their assets.

Item 14      *Client Referrals and Other Compensation*

Christina Povenmire, CFP®, MBA of CMP Financial (Columbus, Ohio) may compensate VF for financial planning consultation for some CMP Financial clients. Consultation fees are equal to an amount agreed upon by Gary Vawter and Christina Povenmire, depending on the scope of VF's involvement. VF is billed directly from CMP Financial, and this arrangement does not incur any additional fees for the client.

VF does not take custody of clients funds; however, we will forward to their account custodian, within 24 hours, any funds clients deliver to us that are payable to or to be deposited into their custodial account(s). Clients are advised not to make any investment funds or securities payable to VF, only to their custodian.

For fee-based clients, VF does have the authority (with the client's pre-approval) to deduct advisory fees directly from a client's account, as indicated in the advisory agreement. See *Item 5: Fees and Compensation* for additional information regarding fees drawn directly from a client's investment account.

Some clients wish to provide us with online access to outside accounts that VF cannot directly manage, such as employer retirement plans, so that these assets can be included in their overall portfolio review. VF staff will view the account balances and investment holdings, and use this information in reports that we prepare, but does not have the authority to make changes to the account in any way.

We strongly encourage clients to regularly review the account statements and transaction confirmations they receive from account custodians. This helps to ensure that any deposit and withdrawal transactions are correct, and that share quantities and values are consistent with any other reports they receive.

As per our advisory agreement, we manage investment accounts on a discretionary basis. A client accepts this arrangement by signing our advisory agreement. If a client wishes to limit this discretionary authority in any way, he/she must submit a detailed letter describing the limitations, and an amendment to the advisory agreement must be signed by the client and the Investment Advisor Representative (IAR). VF will maintain discretionary authority until the amendment is signed by all parties.

The client and our IAR work together to set initial investment policies, guidelines and financial objectives to be followed by the IAR when making initial and subsequent changes to the client's portfolio of investments.

When implementing and maintaining the account according to the agreed upon policies, guidelines and financial objectives, the client is often but not always notified in advance of account transactions. However, the client will receive written transaction confirmations for all trades placed.

Any trades placed by the IAR will be within the scope of the agreed upon policies, guidelines and financial objectives and/or to accommodate ongoing account distributions. Some common examples of use of discretionary authority include:

- The IAR recommends an "international equity fund", and the IAR would make the final selection of the "XYZ" fund as the best to fill this recommendation.
- A client needs to raise cash to pay fees, expenses and/or to cover their income withdrawals, the IAR decides, using discretion, which are the best investments to be sold.

The IAR does not receive any additional fees or compensation when initiating discretionary transactions on behalf of the client.

Clients will receive their proxies or other solicitations directly from their account custodian or a transfer agent. We do not have the authority to vote client securities. However, clients may contact our office if they have any questions regarding these solicitations.

**By mail:** Vawter Financial, Ltd., 1161 Bethel Rd, Suite 304, Columbus, OH 43220

**By phone:** 614-451-1002, or toll-free at 1-800-955-1575

**By fax:** 614-538-2812

**By e-mail:** [info@vawterfinancial.com](mailto:info@vawterfinancial.com)

We do not require pre-payment six months or more in advance. We have not had, nor do we expect that there will be, any financial conditions that would impair our abilities to meet contractual commitments to our clients with respect to use of discretionary authority or processing of client securities.

Item 19 Requirements for State-Registered Advisers

Gary Vawter, CFP®, MS is the Owner, Principal Advisor, and Branch Manager of Vawter Financial, Ltd (VF). For information regarding his education and business background, see *Item 4: Advisory Business*.

For information regarding the services that VF provides to its clients, other than investment advice, see *Item 4: Advisor Business*.

For information regarding how VF is compensated, see *Item 5: Fees and Compensation* and *Item 6: Performance-Based Fees and Side-By-Side Management*.

For information regarding any disciplinary action of which any VF advisor or employee had been subject, see *Item 9: Disciplinary Information*.

For information regarding VF relationships and arrangements with any issuer of securities, see *Item 10: Other Financial Industry Activities and Affiliations*.