

## **Firm Brochure**

(Part 2A of Form ADV)

**TILLMAN HARTLEY LLC**

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This brochure provides information about the qualifications and business practices of TILLMAN HARTLEY LLC. If you have any questions about the contents of this brochure, please contact us at: (352) 335-9015, or by email at: [info@tillmanhartley.com](mailto:info@tillmanhartley.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 TILLMAN HARTLEY LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Updated as of December 31, 2011

## Material Changes

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### 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.

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### Material Changes since the Last Update

There are no material changes since the previous annual amendment. When material changes occur in the future, these material changes will be disclosed in this section.

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### Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (352) 335-9015 or by email at: [info@tillmanhartley.com](mailto:info@tillmanhartley.com).

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# Advisory Business

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## **Firm Description**

TILLMAN HARTLEY LLC was founded in 1999.

TILLMAN HARTLEY LLC provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

TILLMAN HARTLEY LLC 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.

Investment advice is an integral part of financial planning. In addition, TILLMAN HARTLEY LLC advises clients regarding cash flow management, charitable giving, and college, retirement, tax, and estate planning.

Investment advice is provided, but TILLMAN HARTLEY LLC does not act as a custodian of client assets. TILLMAN HARTLEY LLC places trades for clients under a limited power of attorney.

Each client's initial situation is evaluated and documented. Periodic reviews are also provided. 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.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the event they should occur.

The initial meeting, which may be by telephone, is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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## **Principal Owners**

MICHAEL TILLMAN is the principal owner of TILLMAN HARTLEY LLC. Michael D. Lambert Gary W. Lutes, Jr., and Kevin R. Schwall are shareholders of TILLMAN HARTLEY LLC.

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**Types of Advisory Services**

TILLMAN HARTLEY LLC provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations.

On more than an occasional basis, TILLMAN HARTLEY LLC furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that may include estate planning.

As of December 31, 2011, TILLMAN HARTLEY LLC manages approximately \$389,938,000 in assets for approximately 50 clients. Approximately \$260,422,000 is managed on a discretionary basis.

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**Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following agreements define the typical client relationships.

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**Advisory Service Agreement**

Most clients choose to have TILLMAN HARTLEY LLC manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable 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.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets and ranges from 0.35% to 1.0%. TILLMAN HARTLEY LLC does not accept compensation from the sale of securities or other investment products.

Although the Advisory Service 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 investment manager 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.

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**Family Board of Directors™ Agreement**

A *Family Board of Directors™ Agreement* may be executed when investment management is not provided as part of the relationship. The annual fee for a *Family Board of Directors™ Agreement* is negotiable. TILLMAN HARTLEY LLC does not accept compensation from the sale of securities or other investment products.

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**Asset Management**

Assets are invested primarily in no-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. TILLMAN HARTLEY LLC does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through TILLMAN HARTLEY LLC.

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**Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying TILLMAN HARTLEY LLC in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, TILLMAN HARTLEY LLC will refund any unearned portion of the advance payment.

TILLMAN HARTLEY LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, TILLMAN HARTLEY LLC will refund any unearned portion of the advance payment.



## Fees and Compensation

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### Description

TILLMAN HARTLEY LLC's annual fees are based on a stated percentage of the client's assets. TILLMAN HARTLEY LLC may adjust rates as the circumstances warrant. The annual fee includes ordinary costs. In most cases there are no additional expenses. If however, extraordinary services are required, a set or hourly fee may be charged. Fees are billed in advance each calendar quarter at 1/4 of the annual rate. The annual rate is usually between 0.35% and 1%, and is negotiable. The rate is applied to client assets under management as follows:

- January 1st fee based on ending value of assets on September 30th of previous year
- April 1st fee is based on ending value of assets on December 31st of previous year
- July 1st fee is based on ending value of assets on March 31st of current year
- October 1st fee is based on ending value of assets on June 30th of current year

When the account opens, it is billed on a pro-rata basis on the portion of the calendar quarter billing period remaining. The first two billings are based on the initial client assets under management. Upon cancellation of agreements, any unused prepaid fees are refunded pro-rata. TILLMAN HARTLEY LLC may share fees with registered "sub-advisors" for services rendered.

TILLMAN HARTLEY LLC furnishes investment advice through consultations not involving investment supervisory services. TILLMAN HARTLEY LLC uses the processes described above to provide investment advice on a fixed fee basis. The fixed fee is determined on a case by case basis taking into account the scope of the work. The fixed fee is payable at the time the service is provided. Refunds are made based on the amount of the work remaining to be completed.

On more than an occasional basis, TILLMAN HARTLEY LLC furnishes advice on matters not involving securities. This happens primarily with Client families on which an employee of TILLMAN HARTLEY LLC is a member of the Client's Family Board of Directors™ which may consider a myriad of issues affecting the family not involving securities. Fees for this advice are included in the fees charged for investment supervisory services.

TILLMAN HARTLEY LLC does not accept compensation from the sale of securities or other investment products.

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### **Fee Billing**

Investment management fees are billed quarterly, in advance, meaning that we invoice the client when the three-month billing period begins. Fees are typically deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

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### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds 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.

TILLMAN HARTLEY LLC, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% annually for their services. These fees are in addition to the fees paid by the client to TILLMAN HARTLEY LLC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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### **Termination of Agreement**

TILLMAN HARTLEY LLC 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 TILLMAN HARTLEY LLC's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

## **Performance-Based Fees**

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### **Sharing of Capital Gains**

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

TILLMAN HARTLEY LLC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based

compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## **Types of Clients**

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### **Description**

TILLMAN HARTLEY LLC generally provides investment advice to individuals, families, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

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### **Account Minimums**

For Family Board of Directors™ clients TILLMAN HARTLEY LLC generally requires a minimum of \$40,000,000 of managed assets.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

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### **Methods of Analysis**

Security analysis is done primarily through fundamental analysis.

The main sources of information that TILLMAN HARTLEY LLC may use include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases and the World Wide Web.

Other sources of information include conferences and individual meetings with other investment professionals, reading financial economics research, and meetings with financial economics professors at University of Florida, University of Chicago, and Dartmouth.

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### **Investment Strategies**

TILLMAN HARTLEY LLC provides investment supervisory services.

Clients are interviewed to determine their goals, objectives, and time horizon to major withdrawals. Clients complete a survey to measure their financial risk tolerance. Their current portfolio is analyzed if applicable. A risk profile is developed taking into account Clients' need to take risk, their capacity to take risk, and their tolerance for risk. Based on all of the above, preliminary portfolios are designed and tested with statistical and stochastic analysis. After discussion with Clients regarding the design and testing of preliminary portfolios, an Investment Policy Statement is prepared and signed outlining how the investments will be invested and managed. Following completion of the Investment Policy Statement, investment of the portfolio is implemented.

In implementing Client portfolios, particular attention is given to diversification and cost. TILLMAN HARTLEY LLC has no arrangement with any company or other entity to favor or recommend their investments. TILLMAN HARTLEY LLC serves as independent Investment Counsel.

TILLMAN HARTLEY LLC is approved by Dimensional Fund Advisors to use their mutual funds and separately managed accounts, which TILLMAN HARTLEY LLC often does, but is not bound to. Dimensional Fund Advisors pays no fee or commission to TILLMAN HARTLEY LLC.

Client portfolios are reviewed at least quarterly. At that time, or more frequently if there are contributions or withdrawals from the account, rebalancing is considered. Investment Policy Statement is reviewed annually and the portfolio re-engineered if warranted.

For families with assets over \$40,000,000 TILLMAN HARTLEY LLC collects extensive information about the personal and business interests of the client family and develops a comprehensive multi-generational plan to accomplish the goals and objectives of the client family.

Computer modeling is used to test financial and economic strategies. A Family Board of Directors™ is created which usually consists of clients, family members, and other professionals, including employees of TILLMAN HARTLEY LLC. The purpose of the Family Board of Directors™ is to maintain and monitor the plans and strategies developed for the client family. As the governing instruments are formed, TILLMAN HARTLEY LLC will monitor the terms and conditions of these instruments, including the supervision of tax and information return filing. TILLMAN HARTLEY LLC provides for the development of an appropriate Investment Policy Statement. TILLMAN HARTLEY LLC organizes, implements, and administers the family financial structure in accordance with the family's unique set of values, goals, and objectives. To administer the Family Board of Directors™, TILLMAN HARTLEY LLC oversees the establishment of accounts and advisory relationships, monitors these for Investment Policy Statement compliance; establishes appropriate benchmarks for investment performance measurement and provides for adaptation to changing conditions and family objectives; and maintains documents, records, comprehensive financial information, and current information about investment strategies and tax matters.

As the need arises, TILLMAN HARTLEY LLC establishes relationships with other registered entities to carry out investment alternatives. TILLMAN HARTLEY LLC may have fee sharing arrangements with these other relationships. These fees can be based on a percentage of the fees collected by TILLMAN HARTLEY LLC or a flat fee for services. All of these fees are disclosed to client.

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## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face 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.
- **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

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### 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

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### Financial Industry Activities

Neither TILLMAN HARTLEY LLC, nor any of its managers or employees, is a broker dealer, registered representative of a broker dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

### Affiliations

TILLMAN HARTLEY LLC has arrangements that are material to its advisory or its clients with related persons who are a broker-dealer, investment company, other investment advisor, accounting firm, or law firm.

Dale K. Ehrhart, Inc. (DKE, Inc.) - TILLMAN HARTLEY LLC may enter into arrangements with DKE, Inc. to provide brokerage services to clients. Michael T. Hartley, a former manager of TILLMAN HARTLEY LLC is a Director, Officer and stockholder of DKE, Inc. DKE, Inc. is also a registered investment advisor and TILLMAN HARTLEY LLC may enter into arrangements to provide joint advisory services to clients.

DKE, Inc. offers life insurance to its clients. There is no relationship or arrangement between DKE, Inc. and TILLMAN HARTLEY LLC concerning life insurance. However, clients of TILLMAN HARTLEY LLC may use DKE, Inc. to procure life insurance.

TILLMAN HARTLEY LLC has established a relationship with Michael Tillman, J.D., an estate and charitable tax planning attorney, who is a member and manager of TILLMAN HARTLEY LLC. Michael Tillman, J.D. drafts legal documentation and renders legal advice to clients, and frequently collaborates with other law firms. TILLMAN HARTLEY LLC clients are free to select any law firm to draft legal documents and render legal advice. Clients are under no obligation to retain Michael Tillman, J.D. for their legal services.

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

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## Code of Ethics

The employees of TILLMAN HARTLEY LLC have committed to a Code of Ethics that 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.

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## Participation or Interest in Client Transactions

TILLMAN HARTLEY LLC 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 TILLMAN HARTLEY LLC *Compliance Manual*.

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## Personal Trading

The Chief Compliance Officer of TILLMAN HARTLEY LLC is Michael Tillman. He reviews all employee trades each quarter. His trades are reviewed by Kevin Schwall. 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

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## Selecting Brokerage Firms

TILLMAN HARTLEY LLC does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. TILLMAN HARTLEY LLC recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

TILLMAN HARTLEY LLC recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab and Company, and Fidelity Investments.

TILLMAN HARTLEY LLC does not receive fees or commissions from any of these arrangements.

Pursuant to TILLMAN HARTLEY LLC's Investment Management Agreements signed by all clients of TILLMAN HARTLEY LLC, all client accounts are discretionary without any limitations on the authority of TILLMAN HARTLEY LLC. TILLMAN HARTLEY LLC assumes all investment duties with respect to the assets under management and has all investment powers, including sole

investment authority, to invest and reinvest the principal, income, proceeds and additions to assets under management, in such stocks, bonds, listed stock options, or other property of any kind as deemed in the best interest of TILLMAN HARTLEY LLC's clients. TILLMAN HARTLEY LLC may take any action or non-action deemed appropriate, without other consent or authority from the client, and may deal in and with such assets as fully and freely as the client might do. TILLMAN HARTLEY LLC shall be free to dispose of securities in the account regardless of the length of time they have been held, and without regard to the resulting rate of portfolio turnover, when TILLMAN HARTLEY LLC, in its sole discretion, determines such changes will promote investment objectives of TILLMAN HARTLEY LLC's clients. If any of the security or property held is accompanied by voting rights, Client shall have sole responsibility over the exercise of those voting rights. TILLMAN HARTLEY LLC has sole discretion to allocate assets among other managers or sub-advisors, hire and fire managers or sub-advisors, and reallocate assets among them. Unless delegated to other managers or sub-advisors, TILLMAN HARTLEY LLC provides continuous and regular supervisory or management services with respect to clients' assets under management.

Disbursements can only be made from the account upon written order from client. In the event that Client asks for funds to be sent to Client at an address different than the address of record, a signature guarantee may be required. Systematic withdrawals can be arranged by forms supplied by the registered broker-dealer/custodian which will be furnished to Client by TILLMAN HARTLEY LLC.

Custodians/broker-dealers are chosen based on their ability to deliver a blend of execution services, reasonable commission costs, technology, and professionalism. Annually TILLMAN HARTLEY LLC compiles a list of custodians/broker-dealers to consider and compares the above factors amongst them. On some client accounts, clients have requested the use of specific custodian/broker-dealers and TILLMAN HARTLEY LLC has agreed to use them.

TILLMAN HARTLEY LLC has no arrangement where it receives particular products, research or services in exchange for using a specific custodian/broker-dealer. Custodians/broker-dealers do provide the following services to TILLMAN HARTLEY LLC:

- Trading desk
- Account services manager
- Access to a real-time order matching system
- Electronic download of trades
- Balances and positions
- Duplicate and batched client statements
- Confirmations



- Year-end summaries
- Access to particular mutual funds

Clients of TILLMAN HARTLEY LLC may be able to pay lower commissions to custodians/broker-dealers who may not provide the above listed services.

TILLMAN HARTLEY LLC does not use any specific research from its custodians/broker-dealers. Any general knowledge acquired from a custodian/broker-dealer would be used to benefit all client accounts as TILLMAN HARTLEY LLC deemed appropriate.

TILLMAN HARTLEY LLC has never had any procedures to direct client transactions to a particular broker in return for product and research services received.

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**Best Execution**

TILLMAN HARTLEY LLC reviews the execution of trades at each custodian each quarter. The review is documented in the TILLMAN HARTLEY LLC *Compliance Manual*. Trading fees charged by the custodians are also reviewed on a quarterly basis. TILLMAN HARTLEY LLC does not receive any portion of the trading fees.

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**Soft Dollars**

TILLMAN HARTLEY LLC as a matter of policy does not accept or participate in soft dollar arrangements.

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**Order Aggregation**

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

## Review of Accounts

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**Periodic Reviews**

Account reviews are performed on a quarterly or semi-annual basis by Michael Tillman, Manager, in order to determine if the current investment holdings of the account are consistent with the client's investment objectives. Account reviews are performed more frequently when market conditions dictate. Mr. Tillman has responsibility for all accounts. Mr. Tillman also reviews quarterly or semi-annual performance, gain and loss, and portfolio valuation reports provided by referred investment managers.

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**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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### **Regular Reports**

Clients will be provided monthly statements by their clearing broker dealers. These statements will include account activity, cash balances, and securities held. Clients will be provided quarterly or semi-annual summary reports by the TILLMAN HARTLEY LLC.

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive written quarterly updates showing aggregated account holdings and tax effects of investment activity for the year to date.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

TILLMAN HARTLEY LLC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. TILLMAN HARTLEY LLC does no national advertising. In lieu of advertising, the firm may compensate referring parties for these referrals.

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### **Referrals Out**

TILLMAN HARTLEY LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Custody**

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

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### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by TILLMAN HARTLEY LLC.

## Investment Discretion

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### Discretionary Authority for Trading

TILLMAN HARTLEY LLC accepts discretionary authority to manage securities accounts on behalf of clients. TILLMAN HARTLEY LLC 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. However, TILLMAN HARTLEY LLC may consult with the client prior to trades.

The client approves the custodian to be used and the commission rates paid to the custodian. TILLMAN HARTLEY LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in client accounts on their behalf so that TILLMAN HARTLEY LLC may promptly implement the investment policy that the client has approved in writing.

Periodically TILLMAN HARTLEY LLC reviews client's accounts and investment holdings. TILLMAN HARTLEY LLC may deem necessary, in accordance with the client's Investment Policy Statement, to sell all or part of client's assets and reinvest in other assets.

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### Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. Clients sign a limited power of attorney so that we may execute trades on their behalf.

## Voting Client Securities

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### Proxy Votes

As a matter of firm policy, TILLMAN HARTLEY LLC does not vote proxies on behalf of clients. Clients are responsible for voting their own proxies, however, TILLMAN HARTLEY LLC may provide clients with consulting assistance regarding proxy issues.

When assistance on voting proxies is requested, TILLMAN HARTLEY LLC will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## Financial Information

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### Financial Condition

TILLMAN HARTLEY LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because TILLMAN HARTLEY LLC does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

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### **General**

TILLMAN HARTLEY LLC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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### **Disasters**

The Business Continuity Plan outlines company response to natural and man-made disasters such as snow storms, hurricanes, tornados, flooding, fire, data communications line outage, and Internet outage. Electronic files are backed up daily and archived offsite.

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### **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.

## **Information Security Program**

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### **Information Security**

TILLMAN HARTLEY LLC maintains an information security program to reduce the risk that personal and confidential client information may be breached.

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### **Privacy Notice**

TILLMAN HARTLEY LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from clients may include information about their personal finances, information about their health to the extent that it is needed for the financial planning process, information about transactions between clients and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help them meet their personal financial goals.

With a client's permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom they have an established relationship. A client may opt out from our sharing information with these

nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With a client's permission, we share a limited amount of information about them with their brokerage firm in order to execute securities transactions on their behalf.

We maintain a secure office to ensure that client information is not placed at unreasonable risk. We also employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

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

Personally identifiable information about clients will be maintained while they are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

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

## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

TILLMAN HARTLEY LLC 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, JD or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

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

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

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**Michael Tillman, J.D.****Educational Background:**

- Born: 1951
- Institutions
  - Harvard University, A.B. (1970-1974)
  - University of Florida, J.D. (1982-1984)

**Business Experience:**

- Tillman Hartley LLC (1999 – present), Manager
- Practicing attorney since 1985.
- Admitted to the Florida Bar in 1985.

Disciplinary Information: None

**Other Business Activities:**

- Co-founder and President of the Gainesville Community Foundation
- Director and Past President of the Gainesville Estate Planning Council.
- He served on the Estate and Trust Tax committee of the Florida Bar.
- Co-author of "Generations -- Planning Your Legacy".

Additional Compensation: None

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**Kevin R. Schwall, CFA****Educational Background:**

- Born: 1974
- Institutions
  - Duke University, B.S.E. (1992-1996)

**Business Experience:**

- Tillman Hartley LLC (2007 – present), Financial Manager
- Earned the Chartered Financial Analyst (CFA) designation in 2011
- WATEC, Inc. (2000-2007), Manager
- U.S. Army (1996-2000) Captain, Environmental Science Officer

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

**Supervision:**

KEVIN R. SCHWALL is supervised by Michael Tillman, Manager. He reviews Mr. Schwall's work through frequent interactions. He also reviews Mr. Schwall's activities through our client relationship management system.

**SUPERVISOR'S contact information:**

(352) 335-9015 info@tillmanhartley.com



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**Gary W. Lutes, Jr.****Educational Background:**

- Born: 1977
- Institutions
  - University of South Florida, B.S. (1996-2001)

**Business Experience:**

- Tillman Hartley LLC (2004 – present), Financial Analyst / Programmer

**Disciplinary Information:** None

**Other Business Activities:** None

**Additional Compensation:** None

**Supervision:**

Gary Lutes is supervised by Michael Tillman, Manager. He reviews Mr. Lutes' work through frequent interactions. He also reviews Mr. Lutes' activities through our client relationship management system.

**SUPERVISOR'S contact information:**

(352) 335-9015 info@tillmanhartley.com