

**Item 1 – Cover Page**

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CRD # 143884

February 15, 2012

This Brochure provides information about the qualifications and business practices of Register Financial Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (404) 364-2180. 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.

Register Financial Advisors, LLC is a Registered Investment Advisor. Registration of an Investment Advisor does not imply any level of skill or training. This Brochure is designed to provide information that can be used to make a determination to hire or retain an Investment Advisor.

Additional information about Register Financial Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

The SEC adopted "Amendments to Form ADV" in July 2010. This Firm Brochure, dated February 15, 2012, is Register Financial Advisors, LLC's new disclosure document prepared according to the SEC's new requirements and rules. In accordance with those rules, we will provide a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

We will provide you with a current Brochure at any time without charge. Our Brochure may be requested by contacting us at our main number. We will use the Brochure to provide our Clients with a summary of new or updated information.

Additional information about Register Financial Advisors, LLC is also available via the SEC's website, [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). The SEC's website also provides information about persons affiliated with Register Financial Advisors, LLC who are registered, or are required to be registered, as investment advisor representatives of Register Financial Advisors, LLC.

There are no material changes since our last brochure dated March 31, 2011.

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## **Item 4 – Advisory Business**

Register Financial Advisors, LLC (“Register Financial” or “RFA”) was established in 2006 and approved as a Registered Investment Adviser in May of 2007. Register Financial Associates, Inc. owns 100% of Register Financial; George Register is CEO and owns greater than 90% of Register Financial Associates, Inc. Scott Register is Chief Compliance Officer. Please refer to item 10 for more information on affiliated companies.

For its investment advisory clients, the firm presently offers the following types of advisory services:

- I. Register Financial Investment Management (RFIM)**
- II. Register Financial Retirement Plan Consulting**
- III. Edelman Managed Asset Program (EMAP)**
- IV. Wrap Fee Programs**
  - a. Managed Solutions Investment Consulting Services**
  - b. Register Financial Investment Management (RFIM)**
  - c. Various Wells Fargo sponsored programs**

### **I. Register Financial Investment Management (RFIM)**

Under the Register Financial Investment Management Program (“RFIM”), Investment Advisors manage money for Clients on non-wrap fee basis (see below for wrap-fee option) using investment vehicles suitable for the Client’s risk reward profile, including equities, mutual funds, exchange traded funds, options, and bonds. Through RFIM, Investment Advisors of Register Financial provide investment advisory services to Client Accounts on a discretionary basis. RFIM Investment Advisors manage portfolios based on a Client’s investment objectives. RFIM also monitors and reports portfolio performance to Clients on a periodic basis. Portfolios can include long and short-term purchases of securities, depending on the Client’s objectives. In special circumstances, Account management may also include margin transactions, options strategies, or short sale transactions.

Under the terms of the Adviser’s agreement with the Client, the Adviser may:

- Determine the investor’s risk profile, investment objectives and time horizon.
- Set a relevant asset allocation policy for the investor.
- Diversify among asset classes and styles.
- Rebalance the investor portfolio as deemed necessary by Adviser.
- Report and review investment results from time to time. Reviews may include client’s performance in light of identified needs and objectives. They will be conducted on a continuous or periodic basis, as agreed upon by the client and in the Adviser’s Agreement with the client.
- Recommend changes in the Client’s investments, investment strategy or objectives. Recommendations may be given in connection with the review of the Client’s current investments or the Client’s financial needs or objectives as identified by the Client.
- Report the current status of client holdings on a periodic basis, as agreed upon in the Adviser’s Agreement with the Client.

## **II. Register Financial Retirement Plan Consulting**

The firm provides non-discretionary Retirement Plan Consulting Services that include one or more of the following services:

- Review of existing portfolio investments
- Assisting in the development of an Investment Policy Statement
- Mutual Fund Search and Recommendation
- Diversification Review
- Fund Analysis Reports
- Vendor cost analysis and vendor searches
- Plan design and/or plan document reviews
- Assistance with and design of employee education and communications strategies

## **III. Edelman Managed Asset Program (EMAP)**

EMAP is an investment management program sponsored by Edelman Financial Services, LLC as a Third Party Money Manager to manage Client assets based on style, capitalization levels, or asset classes suitable for a Client's investment objectives. The Client will provide Adviser with the information set forth on the Client Profile and represents that such information is a complete and accurate representation of the Client's financial position and investment needs, goals, and objectives, as well as any reasonable restrictions placed on investments made in the Account at the time the Client enters the EMAP. The Client must promptly inform the Investment Advisor in writing if any financial information becomes incomplete or inaccurate during the term of the EMAP relationship.

Through EMAP, Investment Advisors of Register Financial provide investment advisory services to Client Accounts on a discretionary basis. EMAP Investment Advisors manage portfolios based on a Client's investment objectives.

## **IV. Wrap Fee Programs**

### **Register Financial Investment Management (RFIM)**

The Register Financial Investment Management program ("RFIM"), as described above is available in a wrap (or bundled) fee account. See item 5 for specific information regarding fees. Clients choosing this program will receive, in addition to this brochure, a Wrap Fee brochure that goes into further detail regarding their selection.

Clients should consider whether the fees they pay under the program are more or less than they would pay if they obtained investment advisory, brokerage, and custodial services separately (an "unbundled" arrangement). When making their decision to participate in a program, Clients or prospective Clients should consider the many economic incentives that Register Financial (including the Representative) has that may influence its decision to recommend these Programs (or not to recommend other programs or investment alternatives).

### **Managed Solutions Investment Consulting Services**

Managed Solutions Investment Consulting Services ("Solutions") is a wrap fee-based investment management Program using Third Party Money Managers ("Money Managers") to manage Client assets based on style, capitalization levels, or asset classes suitable for a Client's investment objectives. Through Solutions, Register Financial provides Clients with ongoing information on which to base their decisions with respect to the selection and evaluation of Investment Advisors.

Recommended Third Party Money Managers (“Money Managers”) are evaluated by the firm for client use. Such services may include assisting clients in identifying their investment objectives and matching personal and financial data with a select list of Money Managers that meet the program **minimum quantitative and qualitative criteria**. The intent of the program is to have high quality Money Managers from which a client selects one or more managers to handle the day-to-day management of the client’s account(s). Following such recommendations, client will have final authority to select a Money Manager.

Money Managers selected for use by clients under the Investment Consulting program need to meet several quantitative and qualitative criteria. Among the criteria that may be considered is the manager’s experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level and the general investment process. Factors involved in the recommendation of the termination of an advisor may include a failure to adhere to management style or clients’ objectives, a material change in the professional staff of the advisor, unexplained poor performance, and dispersions of client account performance or other circumstances.

Clients are advised and should understand that:

- An advisor’s past performance is no guarantee of future results;
- There is a certain market and/or interest rate risk which may adversely affect any advisor’s objectives and strategies, and could cause a loss in a client’s account(s); and
- Client risk parameters or comparative index selections provided to the firm are guidelines only; there is no guarantee that they will be met or not be exceeded.

All accounts are managed by the selected Money Managers and the firm does not have any discretionary trading authority with respect to such accounts. Information collected by the firm regarding other managers is believed to be reliable and accurate, but the firm does not necessarily independently verify it. Performance reports provided directly to the clients and the firm by investment advisors/managers are not audited or verified.

Clients will receive all reports in accordance with each respective adviser’s Firm Disclosure Document (ADV Part 2A). Clients choosing this program will receive, in addition to this brochure, a Wrap Fee brochure that goes into further detail regarding their selection.

### **Wells Fargo Sponsored Programs**

Register Financial makes available to its Clients the following investment advisory programs (the “Programs”), sponsored by Wells Fargo (“WF”). The Programs provide investment advice, brokerage, and custodial services under a “wrap fee” arrangement. Generally, in a wrap fee arrangement, the Account pays a combined fee for investment advice, brokerage services, clearance and settlement services, and custodial services. The Account may also be charged for expenses or services that are not covered by the wrap fee; these will be described in the Program’s separate “Wrap Brochure” provided to the client or in the client’s separate agreement with First Clearing or Wells Fargo.

Currently, Register Financial offers the following Programs. Clients should be aware that the available Programs may be changed, canceled, or revised at any time.

**Separate Account Programs:**

Diversified Managed Allocations  
Masters Program  
Network  
Private Advisor Network

**ETF Advisory**

Wells Fargo Compass

**Mutual Fund Advisory:**

FundSource  
CustomChoice Program  
Pathways

**FA-Directed Program:**

Private Investment Management ("PIM")

**Client-Directed Program:**

Asset Advisor

Further information regarding the Programs is available in the Programs' separate Disclosure Documents (Wrap Fee Brochures). The Client should refer to the respective managers Disclosure Document, as appropriate, to determine the minimum and maximum account sizes permitted. Under certain limited circumstances, the minimum may be waived. Clients and prospective Clients will be provided a copy of the appropriate Disclosure Document at the time the Representative presents the Program to them. WF may act as sub-advisor for the advisory programs. Copies of the Disclosure Documents may also be obtained by contacting a Register Financial Representative, or Register Financial at the address shown on this Brochure, or by contacting the respective program manager which should be contained in the separate brochure.

**PROGRAM WRAP FEE ADVISORY SERVICES**

Generally, the Representative will review the client's personal and financial situation, and the Account's investment objectives, tolerance for risk, and investment time horizon, and with that information, will assist the client to select an appropriate Program, investment manager, and portfolio from sponsors approved lists. The client's portfolio selection is communicated to the third-party manager (if applicable), who is also provided with appropriate profile information regarding the client.

In certain programs, the client may choose to receive investment recommendations on a nondiscretionary basis which the client may accept or reject. Some of the programs also permit the client to elect to have the Account's assets rebalanced automatically at pre-determined intervals as an aid to ensure the portfolio continues to reflect its intended asset allocations.

The managers available through the programs employ a variety of investment strategies depending on the particular program, the size of the account, the needs of the client, and the account's objectives. Ordinarily, the managers' strategies include long or short-term purchases of securities and, sometimes, may include supplemental covered option writing, where appropriate, depending on the Account's objectives and the manager's style. Some strategies may also include margin transactions, other option or trading strategies, or short-sale transactions. Investment decisions in

some Programs are guided by model portfolios intended to reflect the investment objectives and needs of the Client.

The sponsor will pay Register Financial a portion of the fees from the accounts participating in the programs. Clients should consider whether the fees they pay under the program are more or less than they would pay if they obtained investment advisory, brokerage, and custodial services separately (an “unbundled” arrangement). When making their decision to participate in a program, Clients or prospective Clients should consider the many economic incentives that Register Financial (including the Representative) has that may influence its decision to recommend these Programs (or not to recommend other programs or investment alternatives).

#### **DESCRIPTION OF REGISTER FINANCIAL AND WF AGREEMENT**

The agreement between Register Financial and WF provides, among other things, the following:

- Register Financial has entered into a brokerage clearing agreement with Clearing Agent to execute and perform the clearance on a fully disclosed basis of all purchase and sale orders directed to it by Register Financial for the Programs selected by a client. Clearing Agent will not assess or collect from the Register Financial or clients any transaction fee for its services upon the purchase or redemption of any mutual fund shares offered through WF’ Allowable List, except as described in the program fees section of this disclosure document and/or the WF Disclosure Document.
- Clearing Agent or its agent shall generally maintain, in a Register Financial account, custody of all account assets. Pursuant to a clearing agreement between Register Financial and Clearing Agent, Clearing Agent performs for Register Financial such custodial functions, which, among other things, will include crediting of interest and dividends on account assets and crediting of principal on called or matured securities in the account, together with other custodial functions customarily performed with respect to securities brokerage accounts.
- Clearing Agent or its agent will also perform cashiering and invoicing responsibilities with respect to the Programs, which shall include the charging and collection of account fees and the processing, pursuant to Register Financial instructions, of deposits to and withdrawals from Program accounts. Clients expressly authorize Clearing Agent or its agent to debit fees of Register Financial, WF, Clearing Agent and any applicable investment advisors.
- Clearing Agent provides Register Financial with certain administrative, computer software and documentation services in order that Register Financial may provide the Program services described below. Clearing Agent does not provide any of the consulting, advisory or evaluation services to Register Financial’s clients with respect to any program described herein. Register Financial compensates Clearing Agent pursuant to a brokerage clearance fee schedule. Register Financial utilized an investment planning tool, Envision, as part of its investment planning process. This tool takes into account a variety of information about a client’s financial situation, performs a “Monte Carlo” analysis to test for possible future outcomes, and is utilized in determining a model asset allocation for the client. Such software is provided to Register Financial (and its clients) by WF as part of its services and there is no additional fee to Register Financial for this software.

As of December 2011, Register Financial held \$18,700,000 in discretionary assets under advisement and \$75,000,000 in non-discretionary assets under advisement.



## Item 5 – Fees and Compensation

The specific manner in which fees are charged by Register Financial is established in a client's written agreement. For its investment advisory clients, the firm presently offers the following types of advisory services:

- I. Register Financial Investment Management (RFIM)**
- II. Register Financial Retirement Plan Consulting**
- III. Edelman Managed Asset Program (EMAP)**
- IV. Wrap Fee Programs**
  - a. Managed Solutions Investment Consulting Services**
  - b. Register Financial Investment Management (RFIM)**
  - c. Various Wells Fargo sponsored programs**

### **I. Register Financial Investment Management (RFIM) (Non-Wrap)**

Register Financial will debit the investor accounts on a quarterly basis for the fee described below. All commissions will be borne by the client and passed through at cost. The following are the negotiable fees for managing client's accounts:

| <b>RFIM Non - Wrap Fee Schedule</b> |                            |
|-------------------------------------|----------------------------|
| <b>Total Account Value</b>          | <b>Annualized RFIM Fee</b> |
| Up to \$500,000                     | 2.00%                      |
| \$500,001 to \$1,000,000            | 1.80%                      |
| \$1,000,001 to \$2,000,000          | 1.50%                      |
| \$2,000,001 & above                 | Negotiable                 |

All advisory management agreements are to specify the fees charged to the account.

### **II. Register Financial Retirement Plan Consulting**

Fees for Retirement Plan Consulting Services are negotiable and vary depending on the level of services to be provided. Fees may be based on the assets of the Plan, the number of Plan participants and/or the number of Plan investment options. Fees may be based on a percentage of assets or as a fixed annual fee. Fees are to be clearly stated in all advisory contracts and may be either in advance or in arrears. Under this program, 30-days written notice is required for termination of any Retirement Plan Consulting Agreements.

### III. Edelman Managed Asset Program (EMAP)

Fees for EMAP are negotiable and are based on a percentage of assets. Fees are to be clearly stated in all advisory contracts and are billed quarterly in arrears. The minimum household account size is \$50,000. The following are the negotiable fees for managing Client's accounts:

| <b>EMAP Fee Schedule</b>     |                       |
|------------------------------|-----------------------|
| <b>Total Account Value</b>   | <b>Annualized Fee</b> |
| Up to \$150,000              | 2.0%                  |
| \$150,000 to \$400,000       | 1.65%                 |
| \$400,000 to \$750,000       | 1.25%                 |
| \$750,000 to \$1,000,000     | 1.00%                 |
| \$1,000,000 to \$3,000,000   | 0.75%                 |
| \$3,000,000 to \$10,000,000  | 0.60%                 |
| \$10,000,000 to \$25,000,000 | 0.50%                 |
| \$25,000,000 and above       | Negotiable            |

#### IVa. Managed Solutions Investment Consulting Services (Wrap Fee)

Managed Solutions Investment Consulting Services ("Solutions") is a wrap fee-based investment management Program using Third Party Money Managers ("Money Managers") to manage Client assets based on style, capitalization levels, or asset classes suitable for a Client's investment objectives. Through Solutions, Register Financial provides Clients with ongoing information on which to base their decisions with respect to the selection and evaluation of Investment Advisors.

Register Financial's services may include assisting Clients in preparing an investment policy statement and - based on the information provided therein - matching a Client's investment objectives with a database of Money Managers. Screening criteria for Money Managers may include the Money Managers past performance record, management style, location, minimum account size, etc. The Client, possibly with the assistance of a Register Financial Investment Advisor or other sources, will then choose one or more Money Manager for the management of their assets.

Clients will have access to Solutions' quarterly portfolio monitor service. Register Financial or its agent, the Money Manager, will furnish each Client with a statistical presentation of the performance of the Client's Account, including a comparison between the Account's performance and relevant industry indices.

The Money Manager is solely responsible for managing the Solutions Account. Register Financial has no discretionary trading authority with respect to such Accounts. Information collected by Register Financial regarding Solutions' Money Managers is believed to be reliable and accurate, but Register Financial does not independently verify the information's accuracy. Register Financial does not assume responsibility for the conduct of the Money Managers, including their performance or compliance with securities laws or regulations.

Clients may select custodial relationships other than through the Clearing Firms with prior written consent of Register Financial. Fees charged by custodians other than the Clearing Firms will be billed directly by the custodian to the Client.

Currently, Register Financial compensates Money Managers from 0.40% to 1.0% annually for the management of Clients' assets. Account minimums for Solutions Accounts vary from Money Manager to Money Manager based on the Account's size and the negotiated wrap fee agreement between Register Financial and the respective Money Manager. Generally, the minimum Solutions Account size ranges from \$250,000 to \$1,000,000.

| <b>Solutions Wrap Fee Schedule</b> |                                 |
|------------------------------------|---------------------------------|
| <b>Total Account Value</b>         | <b>Annualized Solutions Fee</b> |
| \$0 to \$250,000                   | 2.00%                           |
| \$250,001 to \$1,000,000           | 1.75%                           |
| \$1,000,001 to \$2,000,000         | 1.50%                           |
| \$2,000,001 and above              | 1.25%                           |

Under some circumstances, certain services, to include commissions and custodial services, may not be included in the Solutions wrap fee. In such an unbundled case, the agreement will reflect a discounted or negotiated fee for the absence of the use of these services. All such charges are passed through to the Client at the negotiated rate. A Client may revert to an all-inclusive wrap fee basis Account by requesting a new advisory agreement.

**Payment of Solutions Wrap Fees:** The initial Solutions wrap fee is calculated on the date the Solutions agreement is accepted and covers the period to the end of the full calendar quarter occurring thereafter. This initial wrap fee is deducted in two installments: the first installment is deducted on the date of Register Financial's acceptance of the funded Account and is based on the initial value of the Account; the second installment and all subsequent wrap fees are deducted at the end of each subsequent calendar quarter and are calculated based on the Account's appraised market value of the Account (including securities, cash, and cash equivalents) on that date. Should cash or securities be added to the Account between billing periods, an additional pro-rated wrap fee will be charged against the value of those assets at the time of the addition. A Client may also elect to pay wrap fees quarterly on a date other than the calendar quarter end: All wrap fee calculations will still be computed quarterly under this method.

There will be no refund of wrap fees previously paid with respect to partial withdrawals of cash or securities during a calendar quarter. If the Client terminates the Account, wrap fees in that quarter will be refunded or assessed - as applicable - on a pro rata basis.

Register Financial may change the Solutions Wrap Fee Schedule at any time by notifying Clients in writing at least 30 days in advance of those changes. Changes to the Solutions Wrap Fee Schedule will become effective for the following calendar quarter. Clients authorize the Clearing Firms to pay all wrap fees by directly debiting the Client's Account.

Neither Register Financial nor First Clearing is responsible for determining the accuracy of the Money Managers computation of wrap fees or the content of any Money Managers invoice.

#### **IVb. Register Financial Investment Management (RFIM) (Wrap Fee)**

Under the Register Financial Investment Management Program ("RFIM"), Investment Advisors may manage money for Clients on a wrap fee basis using investment vehicles suitable for the Client's risk reward profile, including equities, mutual funds, exchange traded funds, options, and bonds. Through RFIM, Investment Advisors of Register Financial provide investment advisory services to Client Accounts on a discretionary basis. RFIM Investment Advisors manage portfolios based on a

Client's investment objectives. RFIM also monitors and reports portfolio performance to Clients on a periodic basis. Portfolios can include long and short-term purchases of securities, depending on the Client's objectives. In special circumstances, Account management may also include margin transactions, options strategies, or short sale transactions.

RFIM Accounts at First Clearing and Schwab Institutional (collectively, the "Clearing Firms") are offered on a wrap fee basis covering portfolio management, execution services, and custodial services. Clients may select other suitable custodian relationships with prior approval from Register Financial. All custodial fees and execution charges (if applicable) will be paid by the Client directly to the respective custodian. Under the RFIM Program, there is a minimum quarterly wrap fee requirement of \$250.

| <b><u>RFIM Wrap Fee Schedule</u></b> |                            |
|--------------------------------------|----------------------------|
| <b>Total Account Value</b>           | <b>Annualized RFIM Fee</b> |
| \$0 to \$250,000                     | 2.50%                      |
| \$250,001 to \$500,000               | 2.00%                      |
| \$500,001 to \$1,000,000             | 1.80%                      |
| \$1,000,001 to \$2,000,000           | 1.50%                      |
| \$2,000,001 & above                  | Negotiable                 |

Under some circumstances, certain services, to include commissions and custodial services, may not be included in a RFIM wrap fee. In such unbundled cases, the agreement between Register Financial and the Client will reflect a negotiated fee for the absence of the use of these services. A Client may revert to an all-inclusive wrap fee basis Account by requesting a new advisory agreement.

**RFIM Wrap Fees and Compensation:** If a Client selects the RFIM Wrap Fee Schedule, the Client authorizes the Clearing Firms to deduct quarterly, in advance or in arrears from the Client's Account, the rate indicated in the Wrap Fee Schedule.

The initial wrap fee under the RFIM Wrap Fee Schedule is calculated on the date the RFIM agreement is accepted and covers the period to the end of the full calendar quarter occurring thereafter. This initial wrap fee is deducted in two installments: the first installment is deducted on the date of Register Financial's acceptance of the Account and is based on the initial value of the Account; the second installment and all subsequent wrap fees are deducted at the end of each subsequent calendar quarter and are calculated based on the Account's appraised market value (including securities, cash, and cash equivalents) on that date. Should cash or securities be added to the Account between billing periods, an additional pro-rated wrap fee will be charged against the value of those assets at the time of the addition.

There will be no refund of wrap fees previously paid with respect to partial withdrawals of cash or securities during a calendar quarter. If a Client terminates his Account, the RFIM wrap fees in that quarter will be refunded or assessed - as applicable - on a pro rata basis.

Register Financial may change the RFIM Wrap Fee Schedule at any time by notifying Clients in writing at least 30 days in advance of those changes. Changes to the RFIM Wrap Fee Schedule will become effective for the following calendar quarter. Clients authorize the Clearing Firms to pay all wrap fees by directly debiting the Client's Account.

#### **IVc. Wells Fargo Wrap Fee Programs**

Each Sponsor Program has a different Program Fee schedule, which can vary depending on the particular investment strategies or portfolios selected by the client, the particular manager selected by the client, and the individual Representative, among other factors. Generally, the Representative may, in his or her discretion, negotiate the portion of the program fee that is payable to the Representative or the Firm, but does not negotiate the portion payable to third-party manager. The Client's Advisory Agreement will state the specific program fee applicable to client's Account.

The following Maximum Program Fee schedule is typical for many programs, but can vary widely.

| <b>Wrap Fee Programs – Maximum Standard Fee Schedule</b> |                            |
|--|----------------------------|
| <b>Total Account Value</b>                               | <b>Annualized RFIM Fee</b> |
| First \$500,000  | 3.0%                       |
| Next \$500,000   | 2.5%                       |
| Next \$500,000   | 2.0%                       |
| Over \$2,000,000   | Negotiable                 |

The program fees are subject to exclusions, calculations, and conditions contained in each Program's Disclosure Document and Advisory Agreement. Additionally, most programs have a minimum quarterly Program Fee (which may be \$375 per quarter or more), which may cause the effective Program Fee (expressed as a percentage) to be greater than the fee rates shown above. The Disclosure Document for each program contains important information regarding conflicts of interest, compensation, risks, potential benefits, and other information that prospective investors should review and consider.

#### **WRAP FEE DISCLOSURES**

For all wrap fee programs, the fee is charged for Register Financial's consulting and Register Financial's or its agent's brokerage services, as well as the services of any advisor hired to provide portfolio advice and administrative services to the particular account. Clients acknowledge that commissions or fees charged to their accounts may be considered in excess of the industry norm. All inclusive wrap fees charged may be higher than those otherwise available if the services were provided separately for a discrete fee or if an Investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. All Register Financial investment consulting standard fee schedules and commissions described herein may be subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting and brokerage services may not be available separately or may require multiple accounts, documentation and fees. In addition, certain advisors may not be available to certain clients outside the consulting relationship because of minimum account sizes, fee schedules, geographic availability or other factors.

#### **TERMINATION OF ADVISORY SERVICES**

Client and/or the firm may initiate termination of the contract at any time by sending written notice to the contra party and will be accepted the day that it is received by the contra party. Termination of the contract will not affect any liabilities or obligations of the parties from transactions initiated before termination of this Agreement or a client's obligation to pay advisory fees if paid in arrears (pro-rated through end of the month in which termination is effective). If fees are paid in advance, the client will receive a refund for any unearned fees calculated from the 1<sup>st</sup> of the following month

in which the contract was terminated through the last day of the calendar quarter. **A full refund will be provided without penalty if the client terminates the contract within 5 business days of signing with the firm if the ADV disclosure document was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser.**

Upon written receipt of notice to terminate its Client Agreement with any of Register Financial's investment advisory programs, and unless specific transfer instructions are received, Register Financial and its agent will, in an orderly and efficient manner, proceed with liquidation of the client's account. There will not be a charge by us for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate Client's investment advisory service and communicate the instructions to Client's investment advisor, **termination orders received from clients are not market orders; it may take several business days under normal market conditions to process Client's request. During this time, Client's account is subject to market risk.** Register Financial and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

### **General Fee Details**

Quarterly fees are based on the value of the account and are calculated as the market value of all long and short securities positions in the account. Although the fees listed above are "default" fees, they may, in some circumstances, be negotiable. If the firm is assessed a transactions fee, such fee may be passed on to the client at cost.

All Advisory Contracts will specify how fees are to be billed. Generally, fees are either paid in advance or in arrears of service.

**If paid in advance**, the initial fee payment is due in full on the date the client's account is accepted and opened by the firm (the "Opening Date") and will be based on the asset value of the account on that date.

**If paid in arrears**, the fee payment is due following the 1<sup>st</sup> calendar quarter. The period for which such payment will be made will run from the opening date through the last day of the full calendar quarter and will be prorated. Thereafter, the quarterly fee is based on the account asset value on the last day of the respective calendar quarter.

Client will maintain or deposit sufficient funds in the account to cover payment of all fees authorized by the contract, and the client authorizes the firm, clearing firm, and/or custodian to debit the account balances or redeem money market fund shares in the amount equal to the fee that is due. If there are not funds to cover the fees, then the firm may liquidate assets to cover fees. Other fees may include costs associated with any dealer markups and odd lot differentials, transfer taxes, exchange fees mandated by the Securities Exchange Act of 1934 and other charges imposed by law with regard to any account transactions; offering discounts; IRA fees; redemption fees,

exchange fees or similar fees imposed in connection with any mutual fund transaction. Client acknowledges that some or all of the mutual funds in which client invests may, as allowed under the Investment Company Act of 1940, pay fees to broker-dealers with respect to the distribution of the mutual funds' shares. The firm's associated persons, as Registered Representatives, may receive such a fee from the mutual funds. Such fees are described in mutual fund prospectuses. Additionally, money markets may pay a percentage of the management fee to Register Financial or its affiliate, Register Financial Associates pursuant to a revenue sharing arrangement.

Although Register Financial believes its fees are reasonable in light of the services provided, clients should be aware that such fees may be more or less than the fees and commissions associated with investment advisory and brokerage services purchased separately. The comparison is dependent upon a number of factors, including the frequency of brokerage activity in the client's account, the size of the account under management, and any negotiated fee arrangements with respect to the account. An investor should consider these factors prior to opening an Advisory Account.

For any programs in which clients pay the transaction fees, all such fees will be debited directly from the clients account. Transaction fees charged may be higher than those otherwise available if the services were provided separately for a discrete fee or if an Investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. A portion of the fees charged by Register Financial for advisory services may be paid to Register Financial Advisors. Financial Advisors may have a financial incentive to recommend advisory services over broker/dealer services. Costs and transaction fees arising out of transactions effected by entities other than Register Financial or Schwab/First Clearing/Fidelity or attributable to dealer mark-ups, mark-downs or "spreads" (in transactions where another entity acts as principal for its own account) will be separately borne by clients. All fees described herein may be subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested.

Item 12 further describes the factors that Register Financial considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Register Financial's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Register Financial's fee, and Register Financial shall not receive any portion of these commissions, fees, and costs.

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

Register Financial does not charge any performance-based fees (fees based on a share of the realized capital gains).

Register Financial does not manage hedge funds. Accordingly, a discussion regarding side-by-side management is unnecessary.

## **Item 7 – Types of Clients**

Register Financial provides portfolio management services to individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, and estate and trusts. The minimum Account size is generally \$50,000 for fee based Accounts. Account minimums may be waived at the discretion of management.

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

Our investment strategy begins with an understanding of a Client's investment objectives and financial goals. Investment Advisors use information provided by the Client to assess the Client's risk profile and investment objectives in determining an appropriate plan for the Client's assets. Investment strategies may include, but are not limited to, long- and short-term purchases of stocks, mutual funds, fixed income securities, options, short sales, and margin transactions.

Investment recommendations are based on an analysis of the Client's investment objectives and are drawn from research and analysis. Security analysis methods may include fundamental analysis, technical analysis, charting, and cyclical analysis. Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases, and corporate ratings services.

It is important to note that investing in securities involves certain risks that are borne by the investor. For information on risks associated with investment company products, please refer to the products' respective prospectuses. Our investment approach constantly keeps the risk of loss in mind. Potential risks to consider include but are not limited to:

Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, lower yields on existing bonds become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security may drop in reaction to tangible or intangible events or conditions. This type of risk is caused by external factors independent of an individual security's particular circumstances. For example, political, economic, and social conditions may trigger market risk.
- **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.
- **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 type of risk primarily affects fixed income securities.
- **Business Risk:** Business Risk is 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. Accordingly, they carry a higher risk of profitability than an electric company that 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 unprofitability because the company must meet the terms of its debt obligations in good economic times and bad. During periods of financial stress, a business' inability to meet its loan obligations may result in bankruptcy or a declining market value.

## Item 9 – Disciplinary Information

It is Register Financial's policy to disclose to its Clients and prospective Clients all facts that might be material to an evaluation of Register Financial's integrity. Although Register Financial itself has not been the subject of any material legal or disciplinary events, Register Financial voluntarily discloses the following regulatory action against its Broker-Dealer parent:

On March 10, 2010, in response to a FINRA investigation, the Broker-Dealer agreed to accept a settlement agreement wherein it was fined \$50,000 and its Principal, George Register, was fined \$15,000 and suspended as a Principal for 30 days. FINRA's allegations related to a marketing piece that FINRA argued should have been classified as research instead, thereby resulting in FINRA's determination that violations of security industry rules relating to research reports may have occurred. Those violations included failing to file attestations or filing attestations that were inaccurate; failing to adequately discharge supervisory responsibilities, failing to implement written supervisory procedures or systems designed to achieve compliance with NASD Rule 2711, failing to monitor trading by Register Financial's research analysts, failing to impose procedures addressing whether research analysts could trade or own securities when those securities were profiled as stock picks; and failing to supervise research analysts.

## Item 10 – Other Financial Industry Activities and Affiliations

**Broker-Dealer:** Register Financial is affiliated through common ownership with the Broker-Dealer, which is registered as a broker-dealer with the Securities and Exchange Commission, FINRA, and various state regulatory agencies. Register Financial maintains consolidated financial records with the Broker-Dealer.

Investment Advisors and their associated persons may receive broker-dealer-related compensation provided under the Programs that is separate and distinct from the Investment Advisor's compensation related to its investment advisory services.

Associated persons of the Investment Advisor may recommend that Clients buy or sell securities that the Investment Advisor owns. In such circumstances, the Investment Advisors must adhere to the Broker-Dealer's Code of Ethics.

Although the Broker-Dealer has controls in place to limit trading errors, such errors may occur from time to time and may result in profit or loss to Register Financial. Individual Investment Advisors will not participate in any profits resulting from such errors.

Under the wrap fee Programs, Register Financial effects securities transactions for Clients as agent or, where permitted by law, as principal, but receives no additional brokerage execution compensation. Clients authorize Register Financial to act both as principal and as agent for both the buyer and seller in securities transactions when appropriate.

**Insurance Company:** Register Financial is licensed as an insurance agency in order to sell insurance products, including variable annuities and variable life insurance. Investment Advisors may hold insurance licenses and may offer insurance products for a separate fee or other compensation.

Investment Advisors may spend from 25% to 75% of their time on business activities other than Investment Advisory activities.

Please see the discussion under Item 12, below, for additional information regarding brokerage practices and related disclosures.

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

Register Financial has adopted a Code of Ethics for all supervised persons of Register Financial. The Code of Ethics describes Register Financial's high standards of business conduct and its fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and guidance on personal securities trading procedures, among other things. All supervised persons at Register Financial must acknowledge the terms of the Code of Ethics annually, or as amended, and are required to follow the Code of Ethics' provisions.

The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of Register Financial will not interfere with (i) making decisions in the best interests of advisory Clients or (ii) implementing such decisions while, at the same time, allowing Register Financial employees to invest for their own Accounts. Under the Code of Ethics, Investment Advisors of Register Financial may buy or sell securities that are recommended to Clients. Subject to the Code of Ethics guidelines and applicable security industry laws, officers, directors, and employees of Register Financial and its affiliates may trade for their own Accounts securities that are recommended to or purchased for Register Financial's Clients.

Certain classes of securities have been designated as exempt transactions, based upon a determination that trading in those securities will not materially interfere with the best interests of Register Financial's Clients. In addition, the Code requires pre-approval of many transactions and restricts trading in close proximity to trading activity on behalf of Clients. Nonetheless, because the Code of Ethics in some circumstances would permit Register Financial's employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity

by a Client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Register Financial and its Clients.

Register Financial may give advice to others that is different from the advice given to Program Clients.

Register Financial's Clients or prospective Clients may request a copy of Register Financial's Code of Ethics by contacting Scott Register at our main number.

## **Item 12 – Brokerage Practices**

As noted herein, the Clearing Firms generally do not charge Client Accounts separately for custody services. They may offer products and services that benefit Register Financial but may not directly benefit Register Financial's Clients' Accounts. Those products and services are used to service most Register Financial Accounts and may include software and other technology that (i) provides access to Client Account data (such as trade confirmations and Account statements); (ii) facilitates trade execution and allocates aggregated trade orders for multiple Client Accounts; (iii) provides research, pricing, and other market data; (iv) facilitates payment of Register Financial's quarterly wrap fees from its Clients' Accounts; and (v) assists with back-office functions, recordkeeping, and reporting.

Investment Advisors may recommend that the Broker-Dealer provide services to Client Accounts. In such cases, commissions paid by the Broker-Dealer to Investment Advisors may be higher or lower than those paid by other brokers. However, the Broker-Dealer strives to serve the best interests of Register Financial's Clients. Register Financial believes that the overall level of services and support provided to its Clients by the Broker-Dealer outweighs the potentially lower transaction cost available under other brokerage arrangements. Register Financial will make all trading recommendations independent of such fee considerations and based solely on its obligations to consider a Client's objectives and needs.

Register Financial does not receive compensation from the Clearing Firms based on the value of credit balances in the Accounts. If cash is swept into a money market fund, however, Register Financial will receive compensation based on the value of money market fund assets. Thus, Register Financial has an incentive to recommend that Clients select money market funds as a sweep vehicle.

## **Item 13 – Review of Accounts**

The Investment Advisor will provide Clients with Account performance reviews annually or more frequently as per Client's request. The performance review will include a written statement reflecting the assets in the Client's Account, the purchase date, the cost basis, the current market value, and other applicable performance data for the period (or since the opening of the Account). The Client will also receive monthly Account statements, tax related reports, and trade confirmations directly from the Clearing Firm.

Factors that are considered in the performance review process include, but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, number of trades, monthly distributions, concentrated positions, diversification, and outside holdings. The Client agrees to inform Register Financial in

writing of any material changes in the Client's investment objectives that might affect the manner in which Client's assets should be invested. The Client may contact Register Financial during normal business hours to consult with Register Financial concerning the management of the Client's Account.

#### **Item 14 – Client Referrals and Other Compensation**

Register Financial does not compensate others for Client referrals.

#### **Item 15 – Custody**

Clients should receive statements at least quarterly from the Clearing Firm that holds and maintains the Account's assets. Clients should carefully review such statements and compare those records to the Account statements prepared and provided to you by Register Financial. Our statements may vary from the Clearing Firm's statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients should bring any such discrepancies to Register Financial's attention promptly.

#### **Item 16 – Investment Discretion**

Register Financial may provide investment advisory and brokerage services to Client Accounts on a discretionary basis. Such discretion usually is granted at the outset of the advisory relationship and must be in writing. When a Client grants investment discretion to an Investment Advisor, the Advisor will have authority to supervise and direct the Client's investments without prior consultation with the Client. Pursuant to this discretionary authority, the Investment Advisor will determine which securities are bought and sold for the Account and the total amount of such purchases and sales. The Investment Advisor will make investment decisions for Client Accounts in accordance with the Client's investment objectives, guidelines, or such reasonable restrictions as the Client may impose on the Investment Advisor in writing, and to which the Investment Advisor has agreed. Pursuant to the Client's instructions, a Client's cash may be invested in a money market mutual fund managed by the Account's Clearing Firm, which may charge a fee. Clients should contact their Clearing Firm for more information about this investment of their cash.

#### **Item 17 – Voting Client Securities**

As a matter of policy and practice, Register Financial does not vote proxies on any Client's behalf. A Client can authorize Investment Advisors to vote proxies on the Client's behalf by adding such a provision to the advisory agreement that governs the relationship between the Client and the Investment Advisor. Clients should refer to the Investment Advisor's Form ADV for a full disclosure of its proxy voting policies and procedures and should contact their Investment Advisor if they have any questions about those policies. Clients will receive their proxies or other solicitations directly from the Clearing Firm.

## Item 18 – Financial Information

Investment Advisors are required to provide Clients with certain financial information or disclosures about Register Financial's financial condition. Register Financial has no financial commitments that would impair its ability to meet its contractual or fiduciary commitments to Clients, and has not been the subject of any bankruptcy proceeding.

## Item 19 – Requirements for State-Registered Advisors

The following is the educational and business background of the officers of Register Financial Advisors, LLC.

### George Register

Born: 7/22/1945

CRD# 373031

#### Education:

University of North Dakota 1962 – 1964 Attended

Arizona State University 1965 – 1967 Attended (Business Finance)

#### Business Background:

| Firm                               | Position      | Dates          |
|------------------------------------|---------------|----------------|
| Register Financial Associates, Inc | CEO/President | 7/1992-Present |
| Dane Equities, Inc                 | CEO/President | 1/2011-Present |
| Sage Southeastern Securities, Inc  | CEO/President | 5/2007-4/2010  |
| Register & Akers Capital Advisors  | CEO/President | 11/1999-9/2003 |

George Register serves as CEO of the Firm. Additionally, he is CEO and owner of Register Financial Associates, Inc., member FINRA/SIPC, a registered broker/dealer. Mr. Register is a Registered Representative of Register Financial Associates, Inc., a registered broker-dealer, and is compensated through commissions based on the sale of securities and other investment products and trails received from the sale of mutual funds.

### Scott Register

Born: 4/12/1973

CRD # 5239767

#### Education:

Lynn University – BS (1996)

Lynn University – MBA (2000)

#### Business Background:

| Firm                                | Position                  | Dates        |
|-------------------------------------|---------------------------|--------------|
| Register Financial Advisors         | CCO/Investment Advisor    | 2007-Present |
| Register Financial Associates, Inc. | Registered Representative | 2006-Present |
| Dane Equities, Inc                  | Chief Compliance Officer  | 2010-Present |
| Sage Southeastern Securities, Inc.  | Registered Representative | 2008-2010    |
| Lafise Securities Corp.             | Muni Principal            | 2008-2010    |
| NGA Hooters Golf Tour               | Operations Director       | 1998-2008    |

Mr. Register devotes approximately 40% of his time to his duties as Register Financial's Chief Compliance Officer. In addition, he is a Principal and Finance and Operations

Principal ("FINOP") at the Broker-Dealer and devotes approximately 50% of his time to his responsibilities in that role. Finally, Mr. Register serves as the Chief Compliance Officer of Dane Equities, Inc., a financial services firm, where he devotes approximately 10% of his time to supervising compliance and general operations.

## **Privacy Policy**

Register Financial collects non-public, personal information about its Clients from the following sources: information we receive on applications or other forms completed by you and information about your transactions with our affiliates, others, or us. We do not disclose any non-public information about our current or former Clients to anyone, except as permitted or required by law or in order to provide current investment advisory services. Our employees, agents, and Investment Advisors have limited access to Clients' personal information based on their respective responsibilities to provide products or services to our Clients. We maintain physical, electronic, and procedural safeguards in compliance with federal industry standards to protect our Clients' personal and financial information.

If the Investment Advisor servicing your Account leaves Register Financial to join another investment advisory firm, he is permitted to retain copies of your information so that he can assist you with the transfer of your Account to his new employer and can continue to serve you at his new investment advisory firm.

### ***"Opting-out" of Third Party Disclosures***

If you do not want your Investment Advisor to retain copies of your Client-specific information if he leaves us to join another firm, you may notify our Compliance Department by calling (404) 364-2180.