

IFRAH FINANCIAL SERVICES, INC.

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Date of Brochure: March 12, 2013

This Brochure provides information about the qualifications and business practices of Ifrah Financial Services, Inc. (“Ifrah”). If you have any questions about the contents of this Brochure, you may contact us at (501) 821-7733 or advisor@ifrahfinancial.com to obtain answers and additional information. Ifrah Financial Services, Inc. is a registered investment adviser with the Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Ifrah Financial Services, Inc. is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm’s CRD number is 136925.

Item 2 – Material Changes

The date of our previous annual update to our Brochure was March 2, 2012.

When required, we will ensure that all current clients receive a Summary of Material Changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. When required, a Summary of Material Changes will also be included with our Brochure on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Ifrah Financial Services. is 136925. When required, the Summary of Material Changes will be listed as "Exhibit A" to our Brochure.

We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us at (501) 821-7733 or advisor@ifrahfinancial.com. Our Brochure is provided free of charge.

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Item 4 – Advisory Business

- A.** Ifrah Financial Services, Inc. is a SEC-registered investment adviser with its principal place of business located in Arkansas. We began conducting business in 2006.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

Patrick Ifrah, President & CEO
Stephen DeSalvo, Chairman of the Board
Micah Brown

- B.** We offer investment supervisory services, individual portfolio management, and model portfolio management services to Clients.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. We offer advice on a broad range of securities such as:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- Exchange Traded Funds ("ETF")
- United States governmental securities
- Interests in partnerships (for example: real estate, oil and gas, among others)

Because some types of investments involve certain additional degrees of risk, they will only be utilized when consistent with the Client's stated investment objectives, tolerance for risk, liquidity and suitability. Please refer to Item 8 for a discussion of our methods of analysis, investment strategies, and risk.

Our firm provides investment management and supervisory services to Clients using model asset allocation portfolios as well as custom (non-model) management in certain situations where applicable. Investment management services are offered through either FOLIOfn or Charles Schwab. Our available model portfolios are listed below. Each is designed to meet a particular investment goal.

I. FOLIOAdvantage Models

FOLIOAdvantage is a multi-strategy for equity money management. It attempts to diversify among types of equities as well as the types of strategies used. It is based on the premise that there are various times when certain types of securities and management styles go in and out of favor during the economic cycles. FOLIOAdvantage models are managed at FOLIOfn. See Item 12 (Brokerage Practices) below for information related to FOLIOfn.

Based on the planning process, the Planner may allocate among several sub-portfolios (“Folios”) described below. Folios may be passive or actively managed (or a combination of both) and may use multiple strategies and styles.

Folios contain the following Standard Allocations:

- Ultra Conservative: 40% Equities - 60% Fixed Income & Cash
- Conservative: 50% Equities - 50% Fixed Income & Cash
- Moderate Conservative: 60% Equities - 40% Fixed Income & Cash
- Moderate: 70% Equities - 30% Fixed Income & Cash
- Moderate Aggressive: 80% Equities - 20% Fixed Income & Cash
- Aggressive: 90% Equities - 10% Fixed Income & Cash

Folios may also be created for Small Account Models (ETFs only)

- Small Conservative: 50% Equities - 50% Fixed Income & Cash
- Small Moderate: 70% Equities - 30% Fixed Income & Cash
- Small Aggressive: 90% Equities - 10% Fixed Income & Cash
- Ultra Small Portfolio: 70% Equities - 30% Fixed Income & Cash
- Conservative Ultra Small Portfolio: 50% Equities - 50% Fixed Income & Cash

The following Folios may be used in any of the Standard and Small Account Models:

1. FIXED INCOME

This Folio uses fixed income ETFs to create a core diversified portfolio of taxable fixed income with the objective of matching or outperforming the Lehman Aggregate Bond Index. It is passive in nature however it is reviewed at least annually to consider changes in the yield curve and to reallocate between short, intermediate and long maturities if appropriate. It may include corporate general and high yield bonds as well as inflation protected treasury bonds as appropriate. Allocations are made in consideration of the trade offs on the yield curve between yield and maturities as well as quality spreads between Treasuries, Corporates and other credit type securities made available through ETFs.

2. FOUNDATION EQUITY US

This Folio uses ETFs to construct a core portfolio that is well diversified and passive in nature. The ETFs used are in various categories attempting to cover the US market and are allocated in a manner that are initially based on evenly distributing the holdings among the following style boxes:

- Small Cap Growth
- Small Cap Value
- Mid Cap Growth
- Mid Cap Value
- Large Cap Growth
- Large Cap Value

This Folio also includes a Real Estate Investment Trust (“REIT”) component. The allocations will shift over time and given the passive nature of this Folio it could be a year or more before any changes are made.

3. ADVANTAGE TRADING

Technical strategies are applied to determine when to purchase and sell stocks from a pre-screened list of securities with valuation and momentum rankings which fall into our acceptable range.

4. ADVANTAGE LEADERS

An earnings revision model is used to select securities. The model analyzes revisions at the individual analyst model and emphasizes estimates from those analysts with a higher level of historical accuracy.

5. STRATEGIC EQUITY US

This Folio is an actively managed portfolio of primarily US Equities, however it can contain some foreign securities if they are traded on a US exchange (typically in the form of an American Deposit Receipt (“ADR”)). This Folio is invested according to a quantitative process and will attempt to limit excessive concentrations in any given sector. This Folio has a longer term horizon with regard to selecting and holding securities which are believed to be undervalued based on our proprietary model. A “value” bias has historically been more prevalent in this Folio, however it is not restricted to this type of bias and does contain “growth” as well. The proportion typically depends on the current market environment. Valuation, however will always remain an overriding issue based on how the model ranks the securities and over time, a significant portion of the portfolio will represent securities selected on the basis of “growth at a reasonable price” or “GARP.”

6. FOCUS LEADERS

This Folio uses domestic ETFs to focus in certain sectors, and stock types and styles based on momentum and technical indicators. This Folio will focus on selected areas of the market and may also invest in ETFs focusing in commodities and currencies (among others). Allocations also consider volatility and risk as well.

7. FOUNDATION EQUITY INTERNATIONAL

This Folio uses ETFs to construct a core portfolio that is well diversified and passive in nature. The ETFs focus in a variety of categories covering the various markets around the world. Its proportion is similar to the MSCI World, but excluding the US.

8. STRATEGIC EQUITY INTERNATIONAL

This Folio uses foreign ETFs to focus in certain geographical areas of the world based on a momentum approach. It may invest in individual country ETFs, or broader geographical areas.

9. ULTRA SMALL

The Ultra Small Portfolio uses three broad ETFs to provide US and International Equity exposure as well as fixed income exposure.

10. CONSERVATIVE ULTRA SMALL

The Conservative Ultra Small Portfolio uses three broad ETFs to provide US and International Equity exposure as well as fixed income exposure.

II. iFocus Models

iFocus is a multi-strategy for equity money management and is based on screening concepts of known successful market professionals for a portion of the portfolio that uses individual stocks and a core and passive component made up of exchange traded funds for diversification. iFocus models are managed at FOLIOfn. Like the FolioAdvantage Models, the Planner may allocate among several Folios described below.

Standard iFocus Model allocations include:

- Conservative: 50% Equities - 50% Fixed Income & Cash
- Moderate: 70% Equities - 30% Fixed Income & Cash
- Aggressive: 90% Equities - 10% Fixed Income & Cash

Folios used in iFocus Models include:

1. iFocus Fixed Income

This Folio uses fixed income ETFs to create a core diversified portfolio of taxable fixed income. The objective is to match or outperform the Lehman Aggregate Bond Index. This portfolio is passive in nature, however it is reviewed at least annually to consider changes in the yield curve and reallocate between short, intermediate and long maturities when appropriate. It also may include corporate general and high yield bonds as well as inflation protected treasury bonds, when appropriate.

2. iFocus US Equities

This Folio uses ETFs to construct a core portfolio that is well diversified and passive in nature. The ETFs used are in various categories attempting to cover the US market and are allocated in a manner initially based on evenly distributing the holdings among the following style boxes:

- Small Cap Growth
- Small Cap Value
- Mid Cap Growth
- Mid Cap Value
- Large Cap Growth
- Large Cap Value

The allocations will shift over time and given the passive nature of this Folio it could be a year or more before any changes are made.

3. iFocus International

This Folio uses ETFs to construct a core portfolio that is well diversified and passive in nature. These ETFs focus in a variety of categories covering the various markets around the world. Proportion is similar to the MSCI World - but excluding the US.

4. iFocus Market Pros

This Folio uses individual equities based on screening concepts from well known market professionals. From this initial screening, we apply our own set of additional criteria to select the securities to be used in this Folio.

A Multi-Strategy Allocation is also available and uses Folios from the iFocus Folios as well as some of the FolioAdvantage Folios to be managed under the iFocus platform.

III. Quant Management Models

The Standard Quant Management Models include:

- Strategic Model,
- Tactical Model
- Tactical+Quant Model.

The Strategic Model and Tactical Model use ETFs for core diversification among fixed income, small/mid/large cap stocks, and international equities. Quant Management Models are managed at Charles Schwab (“Schwab”). See Item 12 (Brokerage Practices) below for information related to Schwab.

The Tactical + Quant Model uses both ETFs and individual equities in areas of Small Cap, Mid Cap and Large Cap and are evenly diversified as an actively managed component. The models use a quantitative strategy to select stocks based on a multi-factor formula that is proprietary. All stock selections are reviewed every quarter and substitutions are made when necessary. Some value judgment may apply based on the use of external research to refine the selections

IV. Managed Funds Portfolio Models

Managed Funds Portfolio Models use mutual fund selections in up to thirteen categories to allocate a Client portfolio. Custom allocations are created by IFS relative to the Client's investment objectives and risk tolerances. At the discretion of IFS, quarterly rebalancing is performed to bring allocations back into balance when suitable and appropriate for a particular Client. During rebalancing, mutual fund substitutions may be performed in some of the mutual fund categories.

Mutual fund selections are based on reviewing performance data over various time frames, price momentum, return consistency, risk characteristics and expenses.

Categories are defined based on Morningstar classification of mutual fund objectives. The following categories are available:

- Aggressive Growth
- Growth
- Growth and Income
- International Equity
- Government Bonds - Short Term (Duration 0-3 years)
- Government Bonds - Intermediate Term (Duration 3-7 years)
- Government Bonds - Long Term (Duration 7+ years)
- Municipal Bonds - Short Term (Duration 0-3 years)
- Municipal Bonds - Intermediate Term (Duration 3-7 years)
- Municipal Bonds - Long Term (Duration 7+ years)
- Corporate Bonds - Investment Grade (Duration - Varied)
- Corporate Bonds - High Yield (Duration - Varied)
- International Bonds (Duration - Varied)
- Cash/Money Market

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the Client's financial circumstances, we will:

- Send quarterly written reminders to each Model Portfolio Management Services Client requesting any updated information regarding changes in the Client's financial situation and investment objectives;

- Contact each participating Client annually to determine whether there have been any changes in the Client's financial situation or investment objectives, and whether the Client wishes to impose investment restrictions or modify existing restrictions;
- Be reasonably available to consult with the Client; and
- Maintain Client suitability information in each Client's file.

FINANCIAL PLANNING

We also provide financial planning services. Financial planning is an evaluation of a Client's current and future financial situation by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the Client. Clients purchasing this service receive a written report which provides the Client with a detailed financial plan designed to assist the Client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **Personal:** We review family records, budgeting, personal liability, estate information and financial goals where applicable.
- **Tax and Cash Flow:** We analyze the Client's income tax and spending and planning for past, current and future years.
- **Investments:** We analyze investment alternatives Client's portfolio.
- **Insurance:** We generically review existing policies and may recommend the Client discuss additional coverage options for life, health, disability, long-term care, liability, home and automobile with a licensed insurance agent.
- **Retirement:** We analyze current strategies and investment plans to help the Client achieve his or her retirement goals.
- **Death and Disability:** We review the Client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **Estate:** We assist the Client and may recommend third party professionals to help assess and develop long-term strategies, including as appropriate, living trusts, wills, estate tax, powers of attorney, asset protection plans, long term care, Medicaid and elder law.

We gather necessary information through in-depth personal interviews. Information gathered includes the Client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the Client and prepare a written report. Should the Client choose to implement the recommendations

contained in the plan, we suggest the Client work closely with his/her attorney, accountant, insurance agent, and/or financial planner. Implementation of financial plan recommendations is entirely at the Client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically the financial plan is presented to the Client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

PUBLICATION OF PERIODICALS

We publish a quarterly newsletter providing general information on various financial topics including, but not limited to, estate and retirement planning, market trends, etc. No specific investment recommendations are provided in these newsletters and the information provided does not purport to meet the objectives or needs of any individual. This newsletter is distributed free of charge to our advisory Clients.

CONSULTING SERVICES

Clients may also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the Client. Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

- C.** Our firm provides continuous advice regarding the investment of Client funds based on the individual needs and personal circumstances of each Client. Through personal discussions in which goals and objectives are established, we develop a Client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the Client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a Client's prior investment history and background. Along with the Client, we determine the suitable model portfolio(s). Once we determine suitability, the portfolio is managed based on the portfolio's goal, rather than on each Client's individual needs.

Clients have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Restrictions must be provided to us in writing.

- D.** We do not manage Wrap Fee programs.
- E.** As of 2/28/2013, we were actively managing approximately \$266,556,946 of Clients' assets on a discretionary basis.

Item 5 – Fees and Compensation

A. INVESTMENT SUPERVISORY SERVICES

Our annual fees for Investment Supervisory Services (“Advisory Fee”) are based upon a percentage of assets under management and generally range from 1.00 to 1.50%.

Our standard Advisory Fee schedule is as follows:

Assets under management	Maximum Annual Fee
\$0 to \$1,000,000*	1.50% or 0.3750% per quarter
\$1,000,001 to \$2,500,000	1.30% or 0.3250% per quarter
\$2,500,001 to \$5,000,000	1.15% or 0.2875% per quarter
\$5,000,001 to \$10,000,000	1.00% or 0.2500% per quarter
Greater than \$10,000,000 or Other **	Negotiable

*While no minimum account size is imposed, accounts are subject to a minimum annual asset management fee of \$500. This fee may be reduced or waived in the discretion of IFS.

**For assets exceeding ten million dollars or other special circumstances, a negotiated fee arrangement may occur with management approval.

We may group certain related Client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Pre-existing Clients are subject to our minimum account requirements and advisory fees in effect at the time the Client entered into the advisory relationship. Therefore, our firm’s minimum account requirements may differ among Clients.

The quarterly fee will be equal to one quarter of the agreed upon annual rate, multiplied by the market value of the account at the end of the quarter

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities shall be priced using a pricing service or through quotations from one or more dealers. All other assets shall be valued at fair value by us and our determination shall be conclusive. We may modify the terms in this Section prospectively on at least 30 days prior written notice.

FINANCIAL PLANNING FEES

Our Financial Planning fees are determined based on the nature of the services being provided and the complexity of each Client’s circumstances. All fees are agreed upon prior to entering into a contract with any Client. In our discretion, we may reduce or waive the hourly fee and/or the minimum fixed fee if a Financial Planning Client chooses to engage us for our Portfolio Management Services.

Our Financial Planning fees are calculated and charged on an hourly basis, at the rate of \$250 per hour. Although the length of time it will take to provide a Financial Plan will depend on each Client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

CONSULTING SERVICES FEES

Our Consulting Services fees are determined based on the nature of the services being provided and the complexity of each Client's circumstances. All fees are agreed upon prior to entering into a contract with any Client. Our Consulting Services fees are calculated and charged on an hourly basis at the rate of \$250 per hour. An estimate for the total hours is determined at the start of the advisory relationship.

THIRD PARTY MANAGERS

We may recommend a third party manager for bond management. If a third party manager is recommended, the manager's fee is separate from our advisory fee. Clients are required to sign a separate agreement with the third party manager. In that agreement, the manager will disclose their fees to Clients. If a third party manager is utilized for bond management, we will charge the Client our standard advisory fee, but a Program Fee (see below) will not be charged.

NEGOTIABILITY

We retain the discretion to negotiate alternative fees on a Client-by-Client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the Client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between us and each Client.

Similar advisory services may be available from other investment advisers for similar or lower fees.

B. Advisory fees are deducted directly quarterly from the Client's custodial account(s) upon submission of an invoice to the custodian. The custodian will provide a quarterly statement to the Client detailing the amount of the fee and the value of the Client's assets on which the fees are based. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the account.

C. ADDITIONAL FEES AND EXPENSES

With the exception of Schwab and FOLIOfn model programs, Clients are required to pay brokerage commissions and transaction fees if they choose to purchase or sell assets or securities outside of those which are included in the management program. In Schwab and FOLIOfn model programs, brokerage commissions and transaction fees are included as a part of the asset based pricing.

All Clients are separately charged for any fees and/or charges imposed by custodians, brokers, third party investment and other third parties. These fees and/or charges may include custodial fees (including termination and/or transfer fees), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes. 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 our fee.

Program Fee for Model Portfolio Management

For Model Portfolio Management Services we charge a program fee (“Program Fee”). This fee is applicable to (i) all accounts held with FOLIOfn, and (ii) the Quant Select Portfolio at Schwab that uses individual equities or exchange traded funds

This Program Fee is in addition to our advisory fee and separate fees charged by the custodians for custody and trading. Our Program Fee is a flat 0.50% per year for all account sizes.

The Program Fee is charged in advance for the quarter and is deducted directly from the Client’s custodial account. The Program Fee is based on the value of the account as of the last day of the quarter.

Custodian Fees for Asset Based Pricing for Transactions for Model Portfolio Management Programs

FOLIOfn

FOLIOfn charges a tiered fee ranging from 0.15% to 0.40% per year based on account size. Under a special arrangement with FOLIOfn, standard minimum annual fees have been waived for this program. These fees are billed quarterly and are payable in advance. Client’s account will be automatically debited at that time. Quarterly fee adjustments for additional assets received into the account during a quarter will also be provided on the above pro-rata basis. The fees are tiered per the following schedule. Tiered means that breakpoint pricing is not “retroactive”; when a breakpoint is surpassed, the fees assessed are reduced only for the assets above each breakpoint.

FOLIOfn custody and trading fees are charged in advance and are not refundable after they have been collected by FOLIOfn. Custody and trading fees are based on the daily average account value during the quarter for accounts at FOLIOfn and is computed by FOLIOfn. FOLIOfn automatically creates a quarterly debit entry which combines their Asset Based Pricing fee with our Program Fee.

FOLIOfn Asset Based Custody/Trading Schedule

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
\$0 to \$100,000	0.40% or 0.2250% per quarter
\$100,001 to \$200,000	0.30% or 0.2000% per quarter
\$200,001 to \$500,000	0.20% or 0.1750% per quarter
\$500,001 and up	0.15% or 0.1625% per quarter

FOLIOfn may combine multiple accounts with the same tax id to provide optimal breakpoint pricing.

Schwab

Schwab charges a tiered fee ranging from 0.15% to 0.40% per year based on account size. Schwab excludes certain securities and cash from their asset based priced fee. At Schwab, our Program Fee is charged separately from the Schwab Custody/Trading Asset Based Pricing Fee. The Schwab Custody/Trading Asset Based Pricing Fee is based on the average daily value of the account and is charged once per month in arrears.

Schwab Asset Based Custody/Trading Schedule

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
\$0 to \$100,000	0.40% or 0.2250% per quarter
\$100,001 to \$200,000	0.30% or 0.2000% per quarter
\$200,001 to \$500,000	0.20% or 0.1750% per quarter
\$500,001 and up	0.15% or 0.1625% per quarter

Financial Planning and Consulting

Financial Planning and Consulting fees include any time and activities necessary to work with Client's attorney, accountant, or other third party as necessary to the project. However, our fee is separate and we are not responsible for an attorney, accountant or other third party fee charged to Client as a result of the above activities.

D. Advisory fees are charged quarterly in advance based upon the market value of the Account at the end of the prior quarter. Adjustments (credits or debits) are generally not made for any additions or withdrawals to the account during a quarter. Market value means the value of all assets in the account (not adjusted by any margin debit). For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities shall be priced using a pricing service or through quotations from one or more dealers.

New accounts are pro-rated from the time we begin charging a fee to the Client. Fees for partial quarters at the commencement or termination of an agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter.

Termination of the Advisory/Financial Planning Relationship:

A Client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of an agreement, any prepaid but unearned fees will be promptly refunded to Client by us. Any fees that have been earned but not yet paid by Client will be due and payable. Any other refunds will be considered on a case by case basis at the written request of Client within 15 days of account termination. In calculating a Client's reimbursement of advisory fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

E. In certain circumstances we are deemed to be a fiduciary to advisory Clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and

obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, we may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees. If investment advice is provided regarding products for which our firm and/or our related persons receive commissions or 12b-1 fees, such fees will be used to offset our advisory fee.

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

We do not charge any performance-based fees for our services or engage in side-by-side management of funds. Accordingly, this item is not applicable to our firm.

Item 7 – Types of Clients

We provide investment advice to individuals, businesses, pension and profit sharing plans, trusts, estates, and charitable organizations. Because each Client is unique, they must be willing to be involved in the planning and ongoing processes. Such involvement does not have to be time consuming, however we want our Clients to remain informed and have a sense of security about their investments.

While no minimum account size is imposed, accounts are subject to a minimum annual asset management fee of \$500. This fee may be reduced or waived in our discretion.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing Client assets:

Charting

In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Fundamental Analysis

We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis

We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Quantitative Analysis

We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis

We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation

Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the Client's investment goals and risk tolerance. A risk of asset allocation is that the Client may not participate in sharp increases in a particular security,

industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the Client's goals.

Mutual Fund and/or ETF Analysis

We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the Client's portfolio. Data on trading execution and available liquidity of ETFs are reviewed and considered. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the Client may purchase the same security, increasing the risk to the Client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the Client's portfolio.

Third-Party Money Manager Analysis

We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our Clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all Forms of Analysis

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing Client accounts, provided that such strategy(ies) are appropriate to the needs of the Client and consistent with the Client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases We purchase securities with the idea of holding them in the Client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a Client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases

When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Trading. We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Incorrect timing is a risk when using short-term purchase or trading strategies. Incorrect timing may not lead to higher performance, and may cause losses or increased overall costs.

We use our best judgment and good faith efforts in rendering services to Client. We cannot warrant or guarantee any particular level of account performance, or that account will be profitable over time. Not every investment recommendation we make will be profitable. Clients assume all market risk involved in the investment of account assets. Investments are subject to various market, currency, economic, political and business risks.

Except as may otherwise be provided by law, we are not liable to Clients for:

- ❖ any loss that Clients may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- ❖ any act or failure to act by a custodian or other third party to Client accounts.

It is the responsibility of the Client to give us complete information and to notify us of any changes in financial circumstances or goals.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with us has any information to disclose which is applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

We have arrangements with unaffiliated third party providers, including Charles Schwab and FOLIOfn (collectively, “Third Party Providers”), which offer certain products and services in regards to Client accounts. These services may include, but are not limited to the following:

- research;
- due diligence;
- reporting;
- portfolio analysis;
- various software; and
- back office administration.

Third Party Providers may also have direct contact with our Clients and may enter into separate advisory contracts directly with Clients. However, the Client’s primary relationship will be with us.

Upon entering into an advisory agreement with us, Clients authorize us to use Third Party Providers to service their account, including billing and the deduction of fees from accounts. Clients agree to allow us to share non-public, personal information with Third Party Providers for the purpose of administering and managing their account. In circumstances where the Client has not signed a separate agreement with a Third Party Provider, we require those providers to execute a confidentiality agreement and not share Client information with any unauthorized person or entity.

The use of Third Party Providers may cause Clients to incur additional fees. Additional fees are described in Item 5, above.

Schwab also provides “soft dollars” to us, creating a material conflict of interest. The provision of soft dollars and the conflict of interest created is more fully described under Items 12 and 14, below.

Item 11 – Code of Ethics, Participation or Interest in *Client* Transaction & Personal Trading

- A** Ifrah has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines our high standard of business conduct, and fiduciary duty to 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, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

A copy of the code of ethics is available to any Client or prospective Client upon request by contacting us at (501) 821-7733 or advisor@ifrahfinancial.com.

- B-D** Ifrah or individuals associated with us may buy and sell some of the same securities for their own account that we buy and sell for Clients. When appropriate we will purchase or sell securities for Clients before purchasing or selling the same for our account or allowing representatives to purchase or sell the same for their own account. However, we do allow the accounts of employees to be included in model and/or block trading alongside the accounts of Clients. In some cases we or our representatives may buy or sell securities for their own account for reasons not related to the strategies adopted for our Clients. Our employees and other persons associated with us are required to follow the Code of Ethics when making trades for their own accounts in securities which are recommended to and/or purchased for Clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with making decisions in the best interest of advisory Clients while at the same time, allowing employees to invest for their own accounts.

The Code of Ethics requires pre-clearance for certain transactions and restricts trading in close proximity to Client trading activity. On the other hand, certain classes of securities are designated as exempt transactions, meaning employees may trade these without prior permission because such trades would not materially interfere with the best interest of our Clients. Nonetheless, because the Code of Ethics permits employees to invest in the same securities as Clients, there is a possibility that employees might benefit from the market activity of a Client. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between SIA and our Clients.

We will disclose to Clients any material conflict of interest which could reasonably be expected to impair the rendering of unbiased and objective advice. We will notify Clients in advance of our policies in respect to officers trading for their own account, including the potential conflict of interest that arises when recommending securities to Clients in which SIA or any principal holds a position.

We have established the following restrictions to ensure our fiduciary responsibilities:

1. A director, officer, associated person, or employee of our firm shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public on reasonable inquiry. No person of our firm shall prefer his or her own interest to that of the advisory Client.

2. We maintain a list of all securities holdings for our firm and for anyone associated with our practice who has access to advisory recommendations. An appropriate officer of the firm reviews these holdings on a regular basis.
3. Any individual not in observance of the above may be subject to termination.

It is our policy that the firm will not affect any principal or agency cross securities transactions for Client accounts. We will also not cross trades between Client accounts.

Item 12 – Brokerage Practices

- A.** Our Clients' assets are held by independent third-party custodians. Except to the extent that the Client directs otherwise, Ifrah may use its discretion in recommending the broker-dealer. However, we reserve the right to decline acceptance of any Client account for which the Client directs the use of a particular broker if we believe that this choice would hinder our fiduciary duty to the Client or our ability to service the account.

In recommending broker-dealers, Ifrah will generally seek "best execution." In recommending a broker-dealer, we take into account relevant factors such as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- The research and related brokerage services provided by such custodian to the SIA, notwithstanding that the account may not be the direct or exclusive beneficiary of such services; and
- Any other factors that we consider to be relevant.

While Ifrah Financial Services, Inc. continuously evaluates broker-dealer relationships, we have determined that both Charles Schwab ("Schwab") and FOLIOfn consistently provide our Clients with a blend of execution services, commission costs and professionalism that enables us to meet our fiduciary obligations to Clients. Both Schwab and FOLIOfn are registered broker-dealers and SIPC members. We will continue to recommend Clients establish brokerage accounts with Schwab and/or FOLIOfn so long they continue to meet the above criteria. We work with these custodians primarily for administrative convenience and also because they offer a good value to our Clients for the transaction costs and other costs incurred.

We do receive research and other products and services other than execution from a broker-dealer in connection with Client securities transactions. Subject to Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), we may recommend broker-dealers who charge transaction fees that are in excess of the amount of transaction fees charged by other broker-dealers in recognition of their research, seminar and execution services.

The benefits noted above are generally considered to be “soft dollar” arrangements. But for soft dollar arrangements, we would have to obtain services and products for cash. As a result of receiving such products and services for no cost, we have an incentive to recommend broker-dealers to Clients that offer these soft dollar arrangements. This interest conflicts with the Clients’ interest of obtaining the lowest commission rate available. Therefore, we must determine in good faith, based on the “best execution” policy stated above that such transaction fees are reasonable in relation to the value of the services provided.

Schwab in particular provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor’s Clients’ assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions).

Schwab’s brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our Client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit us but may not directly benefit our Clients’ accounts. Many of these products and services may be used to service all or some substantial number of our Client accounts, including accounts not maintained at Schwab.

Schwab provides products and services that assist us in managing and administering our Clients’ accounts, such as:

- software and other technology that provide access to Client account data (such as trade confirmations and account statements);
- facilitation of trade execution and allocation of aggregated trade orders for multiple Client accounts;
- research, pricing and other market data;
- facilitation of payment of our fees from Clients’ accounts; and
- assistance with back-office functions, recordkeeping and Client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- compliance, legal and business consulting;

- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to us. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab may also provide other benefits such as educational events or occasional business entertainment of our personnel.

- B** Ifrah may aggregate trades for Clients. When practical, Client trades in the same security will be bunched in a single order (a “block”) in an effort to obtain best execution at the best security price available. In certain situations, generally for larger block trades, we may use the assistance of a trade execution firm when we feel it would be in the best interest of the Client to obtain expertise and access to market venues in order to achieve better execution. These firms generally charge 1cent per share for this service.

The allocations of a particular security will be determined by Ifrah before the trade is placed with the broker. When employing a block trade:

- Ifrah will make reasonable efforts to attempt to fill Client orders by day-end;
- Any potential remaining shares will be allocated to the largest Client position, or to an employee (if necessary) to allocate all shares purchased;
- If the block order is not filled by day-end, Ifrah will allocate shares executed to underlying accounts on a pro rata basis, adjusted as necessary to keep Client transaction costs to a minimum;
- If a block order is filled (full or partial fill) at several prices through multiple trades, an average price and commission will be used for all trades executed;
- All participants receiving securities from the block trade will receive the average price;
- Only trades executed within the block on the single day may be combined for purposes of calculating the average price.

No Client or account will be favored over another. It is expected that this trade aggregation and allocation policy will be applied consistently. However, if application of this policy results in unfair or inequitable treatment to some or all of Ifrah’s Clients, we may deviate from this policy. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

Our Client account records will separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

Trade Errors

It is our policy to minimize the occurrence of trade errors. Should any trade errors which are attributable to IFS occur, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

In the event the trading error results in an erroneous profit, for accounts maintained at Schwab or FOLIOfn, the profit will remain in your account unless the same error involved other client account(s) that should have received the gain; it is not permissible for you to retain the gain; or we confer with you and you decide to forego the gain (e.g., due to tax reasons).

If the profit does not remain in your account and Schwab is the custodian, to minimize paperwork, Schwab has a firm wide policy to absorb all trade error costs under \$100. They do not have that policy to gain business or to influence trades in their direction. If a loss occurs greater than \$100, our firm will pay for the loss. Schwab may retain gains of \$100 or less, if they are not kept in your account, to offset administrative expenses.

Generally, if related trade errors result in both gains and losses in your account, they may be netted.

Item 13 – Review of Accounts

- A. While the underlying securities within accounts are continually monitored, Client accounts are formally reviewed at least quarterly. Accounts are reviewed in the context of each Client's stated investment objectives and guidelines.

We have a number of Investment Advisor Representatives (IAR) who may be assigned as the primary representative to a particular Client's account. The IAR assigned to a particular Client's account will be responsible for the periodic reviews to that account. Clients will be provided the Supplemental Brochure (Form ADV Part 2B) of any IAR providing advice related to their account.

- B. More frequent reviews may be triggered by a change in Client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in the economic climate.
- C. Investment advisory Clients receive standard account statements from the custodian of their accounts on a monthly basis. Ifrah may also provide Clients with a written report summarizing the account holdings and performance generally quarterly, but in any event, no less than annually. Along with these reports, we discuss comparisons to indices performance, as well as asset allocation of the portfolio compared to portfolio target allocations.

Financial Planning Clients will receive a completed written financial plan. However additional review or reports will not typically be provided unless otherwise provided for under the terms of the engagement.

Consulting Services Clients will not typically receive reports or formal reviews due to the nature of the service.

Item 14 – Client Referrals and Other Compensation

It is our policy not to engage solicitors or to pay related or non-related persons for referring potential Clients to our firm.

Except for the provision for “soft dollars” as described in Item 12 (“Brokerage Practices”) above, it is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-Client in conjunction with the advisory services we provide to our Clients.

Item 15 – Custody

Except for our ability to debit fees, we do not otherwise have custody over Client funds and securities, and shall have no liability to the Client for any loss or other harm to any property in the account.

Clients will receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains Client’s investment assets. We may also provide periodic reports on Client’s account. These reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. We urge all Clients to carefully review custodial statements and compare those to the account reports that we may provide to ensure that all account transactions, holdings and values are correct and current.

Item 16 – Investment Discretion

Generally, we have the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of securities bought or sold. The only restrictions on the above discretionary authority are those set by the Client on a case by case basis. Discretionary authority allows us to act on behalf of the Client in most matters necessary or incidental to the handling of the account, including monitoring certain assets, without the Client’s prior approval.

Clients give us discretionary authority when they sign a discretionary agreement with our firm. Clients are also required to sign a Limited Power of Attorney (“LPOA”) with the custodian authorizing us to execute transactions on their behalf. Clients may make changes or limit our authority, however any changes or limitations must be detailed in writing by the Client and accepted by us.

Item 17 – Voting *Client* Securities

Generally, we do vote proxies for Client accounts. However, Client's may retain the right to vote their own proxies.

When voting proxies or acting with respect to corporate actions for Clients, it is our intent that all decisions be made solely in the best interest of the Client (and for ERISA accounts, plan beneficiaries and participants). We will act in a prudent and diligent manner intended to enhance the economic value of the assets of the Client's account.

When voting Client proxies, we utilize the services of an outside service provider, Institutional Shareholder Services ("ISS"). Except for Clients in FOLIOfn model portfolios, instructions are provided to the custodian to forward all applicable proxies to ISS. ISS receives all proxies and votes them in a timely manner and in a manner consistent with the determination of the Client's best interests. For Clients in FOLIOfn model portfolios, we vote Client proxies on the FOLIOfn system based on ISS' analysis.

Although many proxy proposals can be voted in accordance with the ISS' established guidelines ("Guidelines") below, it is recognized that some proposals require special consideration which may dictate that we and/or ISS make an exception to the Guidelines. ISS is also responsible for ensuring that all corporate action notices or requests which require shareholder action received are addressed in a timely manner and consistent action is taken across all similarly situated Client accounts.

Where a proxy proposal raises a material conflict between us and/or ISS' interests and a Client's interest, we will resolve the conflict as follows:

1. Vote in Accordance with the Guidelines. To the extent that we *have little or no discretion* to deviate from the Guidelines with respect to the proposal in question, we will vote in accordance with the pre-determined voting policy established by ISS.
2. Obtain Consent of Clients. To the extent that we *have discretion* to deviate from the Guidelines with respect to a proposal in question, we will disclose the conflict to the relevant Clients and obtain their consent to the proposed vote prior to voting the securities. The disclosure to the Client will include sufficient detail regarding the matter to be voted on and the nature of the conflict so that the Client can make an informed decision regarding the vote. If a Client does not respond to such a conflict disclosure request or denies the request, we will abstain from voting the securities held by the Client's account.

ISS will review the proxy proposal for conflicts of interest as part of the overall vote review process. Any material conflict of interest identified by us and/or ISS will be addressed as described above. If we determine that it is in the Client's best interest, we and/or ISS will not vote proxies received.

The following are certain circumstances where we and/or ISS will limit its role in voting proxies:

1. Client Maintains Proxy Voting Authority: Where a Client specifies in writing that it will maintain the authority to vote proxies itself or that it has delegated the right to vote proxies to a third party, we and/or ISS will not vote the securities and will direct the relevant

custodian to send the proxy material directly to the Client. If any proxy material is received by us, it will promptly be forwarded to the Client or specified third party.

2. Terminated Account: Once a Client account has been terminated with us in accordance with the investment advisory agreement, we and/or ISS will not vote any proxies received after the termination. However, the Client may specify in writing that proxies should be directed to the Client (or a specified third party) for action.

3. Limited Value: If we and/or ISS determine that the value of a Client's economic interest or the value of the portfolio holding is indeterminable or insignificant, we and/or ISS may abstain from voting a Client's proxies. We and/or ISS also will not vote proxies received for securities which are no longer held by the Client's account.

In accordance with Rule 204-2 under the Investment Advisers Act of 1940, we will maintain for the time periods set forth in the Rule (currently 5 years; 2 of which shall be in our office):

- (i) proxy voting procedures and policies, and all amendments;
- (ii) a record of all proxy statements received by us and/or ISS regarding Client securities (provided however, that we may rely on the proxy statement filed on EDGAR as our records);
- (iii) a record of all votes cast on behalf of Clients;
- (iv) records of all Client requests for proxy voting information;
- (v) any documents prepared by us which were material to making a decision how to vote or that memorialized the basis for the decision; and
- (vi) records of requests made by Clients regarding conflicts of interest in voting the proxy.

Clients may obtain information on how proxies were voted with respect to the Clients' portfolio securities or a copy of our Policies and Procedures.

GUIDELINES

ISS will seek to consider each proxy issue individually. Proxy voting may be different for different types of Clients. ISS issues proxy voting guidelines which are used as guidelines, but will not be used as rigid rules. These guidelines are available upon request.

Item 18 – Financial Information

- A** We do require advisory fees to be paid in advance. Under no circumstances will we collect more than \$1,200, more than six months in advance from any Client.
- B** We do have discretionary authority over Client funds or securities, but we have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to Clients.
- C** Neither Ifrah, nor any of the principals, have been the subject of a bankruptcy petition at any time in the past. We have no financial conditions that would impair our ability to meet contractual commitments to our Clients.