

**Item 1 – Cover Page**



DUNCAN & HALEY LTD

**ADV Part II and II b**  
**March 1, 2014**

This Brochure provides information about the qualifications and business practices of Duncan & Haley, Ltd. and its Investment Advisor Representatives. If you have any questions about the contents of this Brochure, please contact us at [info@duncanhaley.com](mailto:info@duncanhaley.com) or (206)625-2658. 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.

Duncan & Haley, Ltd. is a Registered Investment Advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about Duncan & Haley, Ltd. is also available on the SEC's website at [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov).

## Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to Clients as required by the SEC Rules. This Brochure dated January 1<sup>st</sup>, 2013 is our updated document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure was not required to include, but did.

In the future, this item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. We will also reference the date of our last annual update to our Brochure.

In the past we have offered or delivered information about our qualifications and business practices to Clients on at least an annual basis generally within 90 days of the end of our fiscal year. The new SEC Rules require that this be provided within 120 days of the close of our business’ fiscal year. Duncan & Haley, Ltd. will continue to provide this information within our historic 90 day window. We may further provide other ongoing disclosure information about material changes as necessary.

We 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 Kelsey Blackham, Director of Operations at (206)625-2658 or [Kelsey@duncanhaley.com](mailto:Kelsey@duncanhaley.com).

Additional information about Duncan & Haley, Ltd. is also available via the Washington State Department of Financial Institutions website [www.dfi.wa.gov](http://www.dfi.wa.gov). The department’s website also provides information about any persons affiliated with Duncan & Haley, Ltd. who are registered, or are required to be registered, as Investment Advisor Representatives (IAR) of Duncan & Haley, Ltd.

### Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes .....	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	2
Item 6 – Performance-Based Fees and Side-By-Side Management.....	3
Item 7 – Types of Clients.....	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	3
Item 9 – Disciplinary Information .....	3
Item 10 -Other Financial Insustry Activities and Affiliations.....	3
Item 11 – Code of Ethics.....	4
Item 12 – Brokerage Practices .....	5
Item 13 – Review of Accounts .....	5
Item 14 – Client Referrals and Other Compensation.....	5
Item 15 – Custody.....	6
Item 16 – Investment Discretion.....	6
Item 17 – Voting Client Securities .....	6
Item 18 – Financial Information.....	6
Item 19 – Requirements for State Registered Advisors.....	6
Item 20 - ADV Part II b.....	6

## **Item 4 – Advisory Business**

Duncan & Haley, Ltd. opened its doors for business in December of 1998 and is owned and operated by John C. Haley and Kelsey L. Blackham. Duncan & Haley, Ltd.'s core values include: independence, minimization of conflicts of interest, a fiduciary responsibility to Clients, and a constant focus on the thoughtfulness and innovation of our advisory services.

The firm is comprised of several practice areas. The Registered Investment Advisor, of which this brochure focuses, provides asset fee based account management, and, fixed and hourly consulting services to institutions and individuals.

### **Institutional Services Include:**

#### **401(k) Consulting Services**

- Plan Review and Provider Benchmarking
- Ongoing Investment Review and Provider Benchmarking
- Participant Education

#### **Defined Benefit Consulting Services**

- Asset Allocation
- Liability Driven Investment
- Investment Review
- Provider Benchmarking

#### **Private Company Performance Analysis**

- Comparison of Private Company Stock or Unit Value Performance Vs. appropriate indices and public equities

#### **Business Succession Planning**

- Liability Analysis
- Structure
- Coordination with Financial Plan
- Collaborative with Attorney and CPA

### **Individual Services Include:**

#### **Financial Planning**

- Retirement
- Education
- Investment
- Scenario Testing
- Coordination with Business Succession Plan

#### **Estate Planning**

- Structure
- Forecasted Impact
- Scenario Testing
- Collaborative with Attorney and CPA

As described in Item-5 of this Brochure, Duncan & Haley, Ltd. charges fixed or hourly fees for these services.

It is important to note that Duncan & Haley, Ltd. is acting purely in a consulting capacity and does not custody Client assets.

Duncan & Haley, Ltd. is also a licensed, independent insurance broker across several states, including Washington, and earns a commission income from that segment of the practice.

## **Item 5 – Fees and Compensation**

All fees are subject to negotiation.

The specific manner in which fees are charged by Duncan & Haley, Ltd. is established in the Client's written agreement with Duncan & Haley, Ltd. Duncan & Haley, Ltd. will generally bill fees on a monthly basis, in arrears and directly to the Client.

Service and Fee summary:

Institutional:

401(k) and Defined Benefit cost/performance/service benchmarking study fees range from \$1,000 to \$100,000. The type and complexity of the plan, the size of the plan, the depth of review, and the number of providers reviewed will determine the fee within the stated range.

Ongoing retirement plan review and participant education fees range from \$2,500 to \$200,000. At a minimum, Clients will receive no less than annual reviews and participant education meetings. At a maximum, Clients will receive quarterly reviews (four per year) and monthly participant education meetings (twelve per year). The frequency of reviews desired, the number of participant education meetings, the number of employees and turnover ratio, and the size of the plan will, in aggregate, determine the fee within the stated range.

Private Client:

Private Client services will be charged fixed fees ranging from \$1,000 to \$20,000, and asset based fees ranging from .15% to 1.00%, depending on assets under management. At a minimum, Client's will receive a one-time, base financial plan, encompassing the areas of retirement and education planning. At a maximum, Client's will receive a base financial plan that will include, but not be limited to, retirement, education, business succession and estate planning, with ongoing updates and reviews as frequently as quarterly. The depth and complexity of the financial plan, the frequency of update and review, and the volume of assets under management will determine the fee within the stated range.

We may also be engaged on an hourly consulting basis at a rate of \$300 per hour.

As described within Item-4, Duncan & Haley, Ltd. also operates an insurance practice. This poses a conflict of interest in that it could give the Advisors of Duncan & Haley, Ltd. incentive to provide recommendations based on compensation received, rather than Client needs. At Duncan & Haley, Ltd., is committed to always act in Client's best interest. Any compensation of this nature is always fully disclosed, in advance, and, by policy, is not to influence Client recommendations.

Clients have the option to purchase investment or insurance products that we recommend through our fee based advisory services at other brokers or agents that are not affiliated with Duncan & Haley, Ltd.

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

Duncan & Haley, Ltd. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

## **Item 7 – Types of Clients**

Duncan & Haley, Ltd. provides investment management, consulting and planning services to individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, and trusts.

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

Duncan & Haley, Ltd. investment strategies are customized for each Client depending on several factors, including risk tolerance, time horizon, and cash flow. We believe in diversification across what we consider to be high quality and low cost investment managers in the right proportion for each Client situation. We also employ what we feel are unique methods in portfolio monitoring and portfolio re-balancing.

When selecting securities and determining amounts, Duncan & Haley, Ltd. observes the investment policies, limitations and restrictions of the Clients for which it advises. Investment guidelines and restrictions must be provided to Duncan & Haley, Ltd. in writing.

Of course, investing in securities involves risk of potential principal loss, and asset allocation and rebalancing do not protect an investor from those losses.

## **Item 9 – Disciplinary Information**

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Duncan & Haley, Ltd. or the integrity of Duncan & Haley, Ltd.'s management.

Duncan & Haley, Ltd. has no disciplinary events to report applicable to this Item.

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

Duncan & Haley, Ltd. is a licensed independent insurance broker and is able to provide life, disability, and long-term care insurance and annuities.

This poses a conflict of interest in that it could give the Advisors of Duncan & Haley, Ltd. incentive to provide recommendations based on compensation received, rather than Client needs.

Duncan & Haley, Ltd., is committed, by policy, to acting in Client's best interest. Any compensation of this nature is always fully disclosed, in advance, alongside the recommendation being provided.

Clients of Duncan & Haley Ltd. are informed that they are under no obligation to implement the plan or recommendations through Duncan & Haley, Ltd. as an insurance broker. All conflicts of interest relating to compensation in any form are fully disclosed.

## **Item 11 – Code of Ethics**

Duncan & Haley, Ltd. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and 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 personal securities trading procedures, among other things. All supervised persons at Duncan & Haley, Ltd. must acknowledge the terms of the Code of Ethics annually, or as amended.

Duncan & Haley, Ltd. anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which Duncan & Haley, Ltd. has management authority to effect, and will recommend to investment advisory Clients or prospective Clients, the purchase or sale of securities in which Duncan & Haley, Ltd., its affiliates and/or Clients, directly or indirectly, have a position of interest.

Duncan & Haley, Ltd.'s employees and persons associated with Duncan & Haley, Ltd. are required to follow Duncan & Haley, Ltd.'s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Duncan & Haley, Ltd. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Duncan & Haley, Ltd.'s Clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Duncan & Haley, Ltd. will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Duncan & Haley, Ltd.'s Clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to Client trading activity.

Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Duncan & Haley, Ltd. and its Clients.

Duncan & Haley, Ltd.'s Clients or prospective Clients may request a copy of the firm's Code of Ethics by contacting Kelsey Blackham at [Kelsey@duncanhaley.com](mailto:Kelsey@duncanhaley.com) or (206)625-2658.

It is Duncan & Haley, Ltd.'s policy that the firm will not affect any principal or agency cross securities transactions for Client accounts. Duncan & Haley, Ltd. will also not cross trades between Client accounts.

Principal transactions are generally defined as transactions where an Advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another Client account. An agency cross transaction is defined as a transaction where a person acts as an investment Advisor in relation to a transaction in which the Investment Advisor, or any person controlled by or under common control with the Investment Advisor, acts as broker for both the advisory Client and for another person on the other side of the transaction. Agency cross transactions may arise where an Advisor is dually registered as a Broker-Dealer or has an affiliated Broker-Dealer.

## **Item 12 – Brokerage Practices**

Duncan & Haley, Ltd. may suggest Broker-Dealers or insurance producers to Clients. These suggestions are customarily made when a Client indicates a need for an area outside of the services Duncan & Haley, Ltd. provides or if the Client would benefit from execution through our insurance services. Duncan & Haley, Ltd. has no influence in determining the commissions, or reasonableness of such commissions, paid to other brokers. There is a conflict of interest in that Duncan & Haley, Ltd. may share in a portion of the insurance commissions received by the referee broker or through the Duncan & Haley, Ltd. in-house insurance brokerage.

## **Item 13 – Review of Plan or Consulting Product**

John Haley, President of Duncan & Haley, Ltd., will review all work product from the engagement of this Investment Advisor. Reviews will occur no less than annually. Triggering factors will be set individually by each Client as defined in that Client's Investment Policy Statement or other communication from each Client.

Client account statements will be generated by the Broker-Dealer or product sponsor where the Client initiates their plan. Duncan & Haley, Ltd. will provide quarterly, semi-annual, or annual reporting, as instructed by the Client, such as: investment manager comparisons, retirement plan participation, asset allocation, or updated financial planning reports as appropriate.

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

Duncan & Haley, Ltd. will share insurance revenue with other appropriately licensed individuals or firms whom refer Clients to us or visa versa. The specific percentage sharing is determined on a case by case basis, but is generally 25%. Current relationships for insurance revenue sharing exist



with Kimmel Benefits or Redmond, WA, Wells Fargo Insurance Services of Seattle, WA, Bernston Porter Insurance Services of Bellevue, WA, Pacific Northwest Insurance of Kirkland, WA, Propel Insurance of Tacoma, WA, and DPI of Kent, WA.

## **Item 15 – Custody**

Duncan & Haley, Ltd. does not custody Client assets. However, Clients should receive at least quarterly statements from the Broker-Dealer, bank or other qualified custodian that holds and maintains Client's investment assets.

## **Item 16 – Investment Discretion**

Full discretion, limited discretion and no-discretion services are available and are selected within the Client engagement agreement.

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

As a matter of firm policy and practice, Duncan & Haley, Ltd. does not take authority to vote proxies on behalf of Advisory Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios, unless otherwise dictated within the Client contract.

## **Item 18 – Financial Information**

Registered Investment Advisors are required in this Item to provide you with certain financial information or disclosures about Duncan & Haley, Ltd.'s financial condition. Duncan & Haley, Ltd. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.

## **Item 19 – ADV Part II B – Brochure Supplement**

Staff involved with providing investment advice to Clients must have at a minimum a business related Bachelor's Degree, and five years of industry experience, or a CFP or CFA designation.

### **John C. Haley**

#### **Educational Background and Business Experience**

Year of Birth: 1971

#### **Education**

University of Utah; Bachelor of Science, Economics  
(09/01/1990 – 06/01/1994)

#### **Business Experience**

Prudential Preferred Financial (06/1994-06/1997)  
RA Bench (07/1997-12/1998)  
LPL Financial; Registered Representative (12/1998 – 03/2014)  
Duncan & Haley, Ltd; President (12/1998-Present)

### Professional Designations

Accredited Investment Fiduciary – AIF (10/2010)  
Designation: Accredited Investment Fiduciary (AIF). Issuing Organization: Center for Fiduciary Studies. Prerequisites/Experience Required: None. Educational Requirements: Candidate must complete on of the following: Web-based program or Capstone program. Continuing Education: hours per year.

### Disciplinary Information

John Haley has no legal or disciplinary events required to be disclosed in response to the item. Investors can check an advisor's disciplinary and other history at: [borkercheck.finra.org](http://borkercheck.finra.org) and/or [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

## **Kelsey L. Blackham**

### Educational Background and Business Experience

Year of Birth: 1981

#### Education

University of Washington; Bachelor of Science, Business Administration (2000-2003)

#### Business Experience

Duncan & Haley, Ltd. (2003 – Present)

### Professional Designations

Kelsey carries life, disability and long term care insurance licenses, the Certified Long Term Care (CLTC) designation, and the Series 65 securities registrations.

### Disciplinary Information

Kelsey has no legal or disciplinary events required to be disclosed in response to the item. Investors can check an advisor's disciplinary and other history at: [borkercheck.finra.org](http://borkercheck.finra.org) and/or [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

## Items pertaining to John C. Haley and Kelsey L. Blackham

### Other Business Activities

Duncan & Haley, Ltd., John, and Kelsey (Duncan & Haley, Ltd.) are also licensed insurance producers in several western states, including Washington. In such a capacity, they offer fixed life insurance, disability and long-term care insurance products, and can receive normal and customary initial and trail commissions for the placement of these products. Advisory clients are in no obligation to purchase such products from Duncan & Haley, Ltd.

The potential for receipt of commissions and other compensation gives them incentive to recommend insurance products based on the compensation received, rather than on the client's needs. To address this, disclosure is made to the client at the time of purchase, identifying the nature of the transaction or relationship, the role of be played by Duncan & Haley, Ltd., and any compensation to be paid by the client and /or received by the Duncan & Haley, Ltd or its representatives.

### Additional Compensation

Duncan & Haley, Ltd. may receive economic benefits from persons other than clients in connection with advisory services.

The firm may receive non-cash compensation from product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. Product sponsors may also pay for education or training events that Duncan & Haley, Ltd representatives attend, and provide access to analysts and research technology for the firm's use.

To the extent Duncan & Haley, Ltd. acts as a referral agent to third party investment advisor or insurance brokerage firms, it will receive normal and customary referral fee and/or commission revenues. Duncan & Haley, Ltd. discloses to the client at the time of the referral the arrangement and the compensation to be received.

### Supervision

John Haley is the chief compliance officer for the firm and through internal systems monitors client service, portfolio implementation, ongoing trading activity and portfolio allocation. John can be reached at (206)625-2658 Ext. 3.