



2851 S. Parker Rd. Suite 800
Aurora, CO 80014
(303) 468-3400
www.parsonexadvisory.com

March 2014

FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of Parsonex Advisory Services. If you have any questions about the contents of this brochure, please contact us at (303) 468-3400. 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. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Parsonex Advisory Services is available on the SEC's website at www.avisorinfo.sec.gov.

Table of Contents

| | |
|--|---|
| Table of Contents..... | 2 |
| Advisory Business..... | 3 |
| Fees and Compensation..... | 3 |
| Performance Based Fees and Side-By-Side Management..... | 4 |
| Types of Clients | 5 |
| Methods of Analysis, Investment Strategies and Risk of Loss..... | 5 |
| Disciplinary Information | 5 |
| Other Financial Industry Activities and Affiliates..... | 5 |
| Code of Ethics | 6 |
| Compliance with Federal Securities Laws..... | 6 |
| Protection of Material Non-Public Information | 6 |
| Personal Securities Trading Procedures | 6 |
| Initial Public Offerings (“IPO”) and Private Placements | 8 |
| Reporting Violations | 8 |
| Recordkeeping | 8 |
| Brokerage Practices | 8 |
| Review of Accounts..... | 9 |
| Client Referrals and Other Compensation..... | 9 |
| Custody | 9 |
| Investment Discretion..... | 9 |
| Voting of Client Securities..... | 9 |
| Financial Information..... | 9 |

Advisory Business

Parsonex Advisory Services is a U.S. Securities and Exchange Commission Registered Investment Advisor. We provide financial planning, portfolio management and investment advice to individuals, high net worth individuals, pooled investment vehicles (other than investment companies), pension and profit sharing plans, charitable organizations, and corporations or other businesses.

We provide investment advisory services through independent Investment Advisor Representatives (IAR or representative) who are affiliated with Parsonex Advisory Services and sub-advisors, program sponsors, and platform affiliates. Many of our investment advisor representatives are dually registered with our affiliate Parsonex Securities, Inc. a FINRA member broker/dealer.

The services we provide include: evaluation of your investment needs and objectives, development of an investment strategy or asset allocation model, identifying appropriate managers and investment vehicles, selection of sub-advisors and program sponsors, ongoing monitoring of individual asset manager performance, reviewing accounts to ensure proper asset allocations and investments, recommendations for account rebalancing if necessary, retirement planning, financial planning, estate planning, college planning, investment policy planning, business and business continuation planning, pension consulting services, publication of periodicals or newsletters, and educational seminars/workshops.

Clients utilizing Parsonex Advisory Services should be comfortable forgoing the day-to-day management of their account. Parsonex Advisory Services considers a client's risk tolerance and investment objectives by using a questionnaire to determine asset allocation and making recommendations for investment models, investment strategies or types of investments. People who decide to utilize our programs typically need advice and guidance when making investment decisions, are at ease with a financial professional making their day-to-day investment decisions, are willing to follow a disciplined investment strategy and prefer to pay a fee based on a percentage of the assets managed for advice rather than individual commissions or sales charges. Advisors may also prepare written financial plans for a specific fee.

Parsonex Advisory Services was formed in 2012 and manages just over \$7 million dollars as of the publication and filing of this brochure. Throughout 2013 the firm will be actively opening accounts for clients.

Fees and Compensation

There are various fee structures Parsonex Advisory Services utilizes which are customized to the client's needs and objectives. Fees may be assessed as a percentage of assets under management either through a managed brokerage account or a sub-advisor, hourly fees, or negotiated fixed fees may be agreed upon. Additionally, Parsonex Advisory Services may act as a solicitor for a third party manager. In cases where Parsonex Advisory Services acts as a solicitor for a third party money manager or advisor, clients will sign a Form ADV Part 2 from the third-party advisor and a solicitor's agreement and only the disclosed fee to the third party would be deducted from the client's account. The specific fee structure will be disclosed in the Investment Advisory Agreement. Parsonex Advisory Services does not sponsor any wrap fee programs.

Parsonex Advisory Services Third Party Managers/Sub-Advisors

Fees vary by sub-advisor and/or investment manager used, according to the sub-advisor's or investment manager's fee schedule. Advisory fees are based on the total assets under management and typically are between 1-3% per year. There may be additional transaction, custody, money manager and/or platform fees. Fees on managed accounts are deducted from assets unless directed otherwise by you.

Parsonex Advisory Services Managed Brokerage Accounts

Parsonex Advisory Services representative will obtain written authorization from clients for discretionary authority to manage client accounts on a brokerage platform and for deducting fees. Annual fees are negotiable at the discretion of the advisor who manages client's account. The following is a guideline for such fees:

| Assets Under Management | Annual Fee |
|--------------------------------|-------------------|
| Under \$100,000 | 2.50% |
| \$100,001 - \$250,000 | 2.25% |
| \$250,000 - \$500,000 | 2.00% |
| \$500,000 - \$1,000,000 | 1.75% |
| \$1,000,000 - \$2,000,000 | 1.50% |
| \$2,000,000 - \$5,000,000 | 1.25% |
| Over \$5,000,000 | 1.00% |

The annual fee is specified in the Client Advisory Agreement. The annual fee is prorated and deducted quarterly from the client's advisory account based on the market value of the assets under management on the last business day of each quarter in arrears. The client shall receive an invoice for fees concurrent with the deduction by the account custodian. The client will also receive an account statement from the custodian at least quarterly. There may be additional transaction, custody, money manager and/or platform fees associate with a Managed Brokerage Account.

Hourly or Fixed Fees

Fees for consultations and financial planning are negotiable, but generally are billed at minimum of \$100 per hour or a pre-determined fixed amount. Fixed fees can vary widely depending on the scope of the services contracted. These fees will be disclosed in the Client Advisory Agreement.

You may cancel a Client Advisory Agreement with Parsonex Advisory Services at any time with thirty days prior written notice. You will be given this brochure form ADV Part 2A, 48 hours in advance of signing an agreement or you will have five business days to unconditionally cancel the agreement.

Any fees paid for financial planning services and collected in advance will be refunded unconditionally to you if you request termination in writing, on a pro-rata basis, taking into account the percentage of services rendered to you up to the time of termination.

Additional compensation may be received by the representative should you implement the recommendations of the advisor as outlined in the financial plan. You have the option of purchasing those recommended services through other agents or brokers not associated with Parsonex Advisory Services

Many of Parsonex Advisory Services IARs are dually registered with Parsonex Securities, Inc. You can purchase many of the same or similar investments as those available in an advisory program for a lower fee through a broker/dealer, although you will not receive the additional advisory services. It is important that you consider the additional costs associated with an advisory program before investing. We believe Parsonex Advisory Services fees are competitive with those charged by other investment advisors for comparable services; however, comparable services may be available from other sources for lower fees.

Performance Based Fees and Side-By-Side Management

We do not accept any performance based fees or side-by-side management accounts.

Types of Clients

Parsonex Advisory Services offers services to individuals, high net worth individuals, pooled investment vehicles (other than investment companies), pension and profit sharing plans, charitable organizations, and corporations or other businesses. Our minimum account size is typically \$50,000. Parsonex Advisory Services does not open accounts that may be restricted under the PATRIOT ACT or Foreign Corrupt Practices Act. Additional requirements for opening or maintaining an account may be imposed by custodians or third party investment advisers managing the account.

Methods of Analysis, Investment Strategies and Risk of Loss

Our advisors will use a variety of methods and sources in the process of researching and analyzing securities and managers to be used. Parsonex Advisory Services uses Third Party Registered Investment Advisors for analysis and investment strategies utilized in managing assets. Managers are evaluated using data and information from several sources, including the manager and independent databases. Our process of selecting advisors takes into consideration the process by which a sub-advisor manages assets, their historical track record, tactical and strategic approach for managing assets, historical volatility, investment styles, investment philosophies and correlation across asset styles. Additionally, we review the manager's Form ADV Part 2A, as well as portfolio holdings reports that help demonstrate the manager's securities selection process. Sub-advisors may use other analysis and management techniques that will be explained in the brochures. Please review sub-advisor brochures. We may utilize a multi-manager approach to managing assets in order to help clients diversify when necessary.

Securities may be analyzed using the fundamental method of analysis, financial newspapers and magazines, research material prepared by third parties, corporate rating agencies, annual reports and other public filings, and company press releases as sources of information.

There are many risks associated with investing in the market. Past performance does not guarantee future performance. All investments may decrease in value and you could lose all or part of your principal. Different investment strategies involve material risks that are described in detail on fact sheets available for each strategy through a third party manager.

Diversification can help reduce overall risk of a portfolio but may still be adversely affected by overall market trends; specific security issues; or poor investment decisions. Diversification "not putting all your eggs in one basket" can reduce the risk of a total loss of principal. A major risk for most investors will be the deviation from the average return of an index or an expected return in that the investment could under perform the expectations of the investor. The risk in a portfolio of diversified stocks or investments will be less than the risk inherent in holding any one individual stock or investment by itself (provided the risks of the various stocks are not directly related.)

Disciplinary Information

Parsonex Advisory Services is not and has never been the subject of any disciplinary proceeding.

Other Financial Industry Activities and Affiliates

Parsonex Securities, Inc. is an introducing broker/dealer that is affiliated with Parsonex Advisory Services through common ownership and management. Many of the Investment Advisory Representatives with Parsonex Advisory Services are also registered representatives with Parsonex Securities, Inc. Parsonex Securities, Inc. is an introducing broker/dealer and will not be used to custody assets nor effect transactions of Parsonex Advisory Services accounts. Parsonex Advisory Services shares office space and administrative personnel through a services agreement with Parsonex Securities. Parsonex Insurance Agency is an

independent insurance agency which is likewise affiliated and several of the representatives will market insurance products through this agency. Parsonex Financial Services, Inc. is a franchise company that is affiliated through common ownership. Investment Advisory Representatives may be a franchisee with Parsonex Financial Services, Inc. or work out of a branch that is a franchise thereof. Parsonex Enterprises, Inc. is the parent company and controlling shareholder of Parsonex Advisory Services. Parsonex Advisory Services may recommend or select other investment advisers for clients. Clients shall only pay the fee assessed by the third party for that portion of the account managed by such third party as disclosed in the respective Form ADV Part II and Solicitors Agreement given to the client at the time of the solicitation. Parsonex Advisory Services will receive a portion of the fee paid to the third party money manager as disclosed in the Solicitors Agreement. This could be considered a conflict of interest as an Investment Advisory Representative may select an advisor that will compensate them. Any compensation will be disclosed to you.

Code of Ethics

Compliance with Federal Securities Laws

This Code of Ethics is based on ethical conduct premised on fundamental principles of openness, integrity, honesty, and trust. Access persons must comply with the federal securities laws. Parsonex Advisory Services challenges its representatives and employees to live up not only to the letter of the law, but also to the spirit of the law, as well as the ideals of this firm.

Protection of Material Non-Public Information

Information about Parsonex Advisory Services' securities recommendations, and client securities holdings and transactions is material nonpublic information. Parsonex Advisory Services has a duty of care to safeguard this sensitive information. Access persons are to treat this information as confidential. Access persons are to refer to the Written Supervisory Procedures for details regarding the Privacy Policy and Prohibition on Insider Trading.

Personal Securities Trading Procedures

All access persons of Parsonex Advisory Services must report securities holdings and personal securities transactions to the Chief Compliance Officer, whether done through this firm or outside with a third party.

Holdings Reports and Transaction Reports must be submitted for "reportable securities" (as defined below) in which the access person has, or acquires, any direct or indirect beneficial ownership. An access person is presumed to be a beneficial owner of securities that are held by his or her immediate family members sharing the access person's household.

Securities "Holdings Report" (Initial and Annual): A complete report of each access person's securities holdings must be submitted:

- at the time (within 10 days) the person becomes an access person
- at least once a year thereafter...

The holdings report must be current as of a date not more than 45 days prior to the individual becoming an access person or the date the annual report is submitted. The holdings report must contain at a minimum for reportable securities:

- the date the access person submits the report.
- security title (name), type, ticker symbol or CUSIP number
- number of shares
- principal amount

The holdings report must also provide the name of any broker/dealer or bank with which the access person maintains an account in which any securities are held for the access person's direct or indirect benefit. Thus, even if no "reportable securities" are held, all securities bank or brokerage accounts must be reported.

Quarterly "Transaction Reports": Quarterly reports of all personal securities transactions must be submitted by access persons. The reports are due no later than 30 days after the close of a calendar quarter. The transaction report must contain at a minimum for reportable securities:

- the date the access person submits the report.
- security title (name), type, ticker symbol or CUSIP number
- interest rate and maturity date (as may be applicable)
- date of the transaction
- number of shares
- principal amount
- nature of the transaction (buy, sell)
- price at which effected
- name of BD or bank transacted through

Exceptions: There are four exceptions to personal securities reporting:

1. Transactions effected pursuant to an automatic investment plan are not subject to the quarterly transaction reports. The positions held in such accounts shall be reported on the initial and annual holdings reports, if otherwise meeting the definition of reportable security.
2. Securities held in accounts over which the access person had no direct or indirect influence or control are not reported on the initial/annual holdings report or on the quarterly transaction reports. An access person is presumed to be a beneficial owner of securities that are held by immediate family members sharing the access person's household. Any required report may contain a disclaimer of beneficial ownership by the person making the report.
3. A separate quarterly transaction report need not be filed if such report would duplicate information contained in trade confirmations or account statements that Parsonex Advisory Services *holds in its records*, provided that Parsonex Advisory Services has received those confirmations or statements not later than 30 days after the close of the calendar quarter in which the transaction takes place. In order to rely on this exception, Parsonex Advisory Services must have the information downloaded (or manually input) into its computer system so that Parsonex Advisory Services may be able to generate a composite holdings report. On an annual basis, the access person must verify the composite holding report.
4. If the firm has only one access person, no reports need be "submitted" so long as the firm maintains records of the holdings and transactions that otherwise would be required to be reported.

All securities are reportable securities on the holdings and transactions reports, with five exceptions:

1. US Government obligations (e.g., T-Bills)
2. Money market instruments – bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments
3. Money Market Funds
4. Mutual funds, unless the adviser or a control affiliate acts as the investment adviser or principal underwriter for the fund
5. Unit investment trust ("UIT") if the UIT is invested exclusively in unaffiliated mutual funds

Reviews: The Chief Compliance Officer (or his/her designee) will review these reports in an attempt to identify improper trades or patterns of trading by access persons. Assessments may include as applicable:

- Determine if the access person is trading for his own account in the same securities he is trading for clients. If so, are clients receiving terms as favorable as the access person takes for himself.
- Look for abusive trading patterns such as market timing.
- Investigate substantial disparities between the quality of performance the access person achieves for his own account and that he achieves for his clients.
- Investigate substantial disparities between the percentage of trades that are profitable when the access person trades for his own account and the percentage that are profitable when he places trades for clients.

The firm and its access persons are to follow these procedures:

- Prior written approval before access persons can place a personal securities transaction ("pre-clearance").
- Maintenance of lists of issuers of securities that the advisory firm is analyzing or recommending for client transactions, and prohibitions on personal trading in securities of those issuers.
- Maintenance of "restricted lists" of issuers about which the advisory firm has inside information, and prohibitions on any trading (personal or for clients) in securities of those issuers.
- "Blackout periods" when client securities trades are being placed or recommendations are being made and access persons are not permitted to place personal securities transactions.

- Investment opportunities must be offered first to clients before the adviser or its employees may act on them.
- “Short-swing” trading and market timing are prohibited.
- All other outside brokerage accounts must be submitted for approval to the Chief Compliance Officer when a new access person is hired by Parsonex Advisory Services and prior to opening a new outside account for existing access persons.
- Provide Parsonex Advisory Services with duplicate trade confirmations and account statements, as may be requested by Parsonex Advisory Services. Parsonex Advisory Services may be able to use these documents in lieu of Quarterly Transaction Reports. Parsonex Advisory Services will make the final determination and advise the access person which transaction documents will be utilized.

Initial Public Offerings (“IPO”) and Private Placements

Most individuals rarely have the opportunity to invest in IPOs or private placements. An access person's IPO or private placement purchase therefore raises questions as to whether the employee is misappropriating an investment opportunity that should first be offered to eligible clients, or whether a portfolio manager is receiving a personal benefit for directing client business or brokerage. Pre-clearance is required for IPOs and private placements. Access persons must obtain Parsonex Advisory Services’ approval before investing in an IPO or private placement. Access person’s must request and be granted permission in writing prior to participating in an IPO.

Reporting Violations

All employees (inclusive of all supervised persons and access persons) must promptly report any violations of this Code of Ethics to the Chief Compliance Officer. Any violations involving the Chief Compliance Officer will be reported to the Chief Compliance Officer’s supervisor. Parsonex Advisory Services seeks to create a safe environment for those that report violations and will attempt to handle the matter discreetly to avoid retaliation. Employees however may choose to remain anonymous when reporting violations.

Recordkeeping

Parsonex Advisory Services will keep the following records in regards to this Code of Ethics:

- Copy of the Code of Ethics (including historical copies for five years after the last date they were in effect)
- Records of violations of the Code and actions taken as a result of the violations
- Written Receipt and Acknowledgment page from each access person (to be kept for five years after the individual ceases to be a supervised person)
- Current and historical lists of access persons will be maintained at all times (Such list need not be maintained on paper if a list of access persons can “promptly” be generated from computer records)
- Holdings Reports and Transaction Reports made by access persons
- Records of decisions approving access persons’ acquisition of securities in IPOs and limited offerings

Whistleblower reports are not required to be kept in order to maintain confidentiality of those reporting.

Any questions about this Code of Ethics may be directed to the Chief Compliance Officer.

Brokerage Practices

Parsonex Advisory Services identifies registered broker/dealers to provide the Firm with custodial and execution services at costs and fees it deems reasonable and customary and in alignment with the client’s needs and best interest. Parsonex Advisory Services will add or change broker/dealer platforms as it deems necessary based on several factors including trade execution accuracy and timeliness, costs and service. You will generally pay an asset based fee for the services provided by the broker/dealer, however, the executing broker/dealer may charge a transaction fee. Transaction fees are commissions to the brokerage company and no part of this compensation compensates the advisor. Any fees not included in your platform fee will be disclosed in writing. We do not use “soft dollars” to obtain research and any research obtained will be paid for by Parsonex Advisory Services out of its own funds.

Parsonex Advisory Services does not receive “soft dollar” benefits for referring brokerage business to other brokerage firms. Parsonex Advisory Services does not allow clients to direct brokerage. We do not aggregate trades for client accounts. Other firms may allow clients to direct brokerage and we may not be able to achieve the most favorable execution of client transactions, resulting in higher fees to the client. However, we attempt to utilize broker/dealers and custodians that offer competitively priced transactions costs.

Review of Accounts

Custodians, mutual funds or third party managers provide our clients with quarterly reports indicating account values and clients receive confirmations of all transactions unless they request otherwise. Each account will be reviewed periodically and at least on an annual basis. This review shall include a review of the performance, allocation and investment objectives of the client to ensure proper alignment. Clients should carefully review the statements received from the custodian of their assets and contact Parsonex Advisory Services with any questions.

Client Referrals and Other Compensation

Parsonex Advisory Services does not compensate any non-registered person for client referrals. Parsonex Advisory Services conducts training events for our representatives. Third Party Investment advisors may be invited to attend and speak in exchange for a fee. This fee helps offset the cost of such an event. This can be a conflict of interest but is mitigated by our Code of Ethics and the representative’s responsibility to always act in the best interest of the client.

Custody

Parsonex Advisory Services maintains custody of the client’s funds solely because of fee deductions as authorized by the Client Advisory Agreement. Client assets will be in the custody of a broker-dealer or other qualified custodian who will send written account statements directly to the clients. Clients should carefully review these statements and contact your Investment Advisory Representative if you have any questions.

Investment Discretion

Advisory clients grant their Investment Advisory Representative and in some cases Parsonex Advisory Services limited discretion by executing an Advisory Agreement. This discretion includes the authority to determine the securities to be bought or sold and the quantity of each security to be bought or sold. Each advisory client grants the custodian authorization to withdraw the advisory fee. The Investment Advisor is not required to contact the advisory client when executing a transaction in a managed account. Parsonex Advisory Services utilizes a questionnaire to determine a client’s risk tolerance and investment objectives and recommend asset allocation, investment models, investment strategies or types of investments based on their responses. Clients are notified annually to contact Parsonex Advisory Services if their financial situation changes especially if it would impact their investment strategy or risk tolerance.

Voting of Client Securities

Parsonex Advisory Services does not vote proxies. The client is informed that it is the client's responsibility to vote proxies. If the sub-advisor does accept this authority, it will be fully disclosed in the agreement a client signs upon opening the account. Clients may obtain a copy of that advisors proxy voting procedures from the sub-advisor. In most cases clients will receive proxies directly from the custodian or transfer agent.

Financial Information

Parsonex Advisory Services does not have any financial condition that would impair its ability to meet its contractual obligations to its clients.