

**Part 2A of Form ADV: *Firm Brochure***

**ACCESS FINANCIAL SERVICES, INC.**

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**This brochure provides information about the qualifications and business practices of Access Financial Services, Inc. ("AFS"). If you have any questions about the contents of this brochure, please contact us at (952) 885-2732 or Brant@AccessFinSvc.com. 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 as an investment adviser does not imply a certain level of skill or training.**

**Additional information about AFS is also available on the SEC's website at [www.adviserinfo.sec.gov](http://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 115361.**

## **Item 2. Material Changes**

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

This update is in accordance with the required annual update for Registered Investment Advisors.

Since the last update filed on December 10, 2014 the disclosure document has been updated to remove the broker/dealer affiliation that AFS was previously engaged in and the amount of client assets under management has been updated.

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#### **Item 4. Advisory Business**

Access Financial Services, Inc. ("AFS") is a SEC-registered investment adviser with its principal place of business located in Minneapolis, Minnesota. AFS began conducting business as a registered investment adviser in 1992.

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

- Stephen E. Kairies, Founder and Chief Financial Officer
- Brant T. Kairies, President, Chief Investment Officer and Chief Compliance Officer

AFS offers Individual Portfolio Management, ERISA Plan Services, Financial Planning and Financial Consulting services to its advisory clients. Please see the disclosure below in this Item for additional information regarding these services.

As of December 30, 2014, we were actively managing \$186,042,380 of client assets on a discretionary basis and \$ 2,932,054 on a non-discretionary basis.

#### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm offers portfolio management services to its advisory clients. We will provide continuous advice to a client regarding the investment of client funds based on the client's individual needs. Through personal discussions with our clients, we develop a client's individual investment strategy and create and manage a portfolio based on that strategy. During this data-gathering process, we determine the client's individual objectives, time horizon, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

We currently offer our portfolio management services on a discretionary and non-discretionary basis. Account supervision is guided by the client's stated objectives (e.g., growth, income or a balance between growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. Our client portfolios may include: individual stocks, fixed-income securities, exchange-traded funds ("ETFs"), exchange-traded notes ("ETNs"), no-load mutual funds, and closed-end funds ("CEFs"). Client portfolios with assets of less than \$1,000,000 will normally be primarily comprised of ETFs and no-load mutual funds.

#### **ASSETS HELD AWAY**

Our firm offers a discretionary asset management service to individuals on their employer sponsored qualified plans. We will work with individuals on determining their individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, and asset allocation are based on the above factors along with the investment vehicles offered by the plan. The accounts will be monitored on a periodic basis.

## ERISA PLAN SERVICES

AFS offers the following services to the Plan and the Plan participants:

1. Fiduciary Services are:

- a. Provide non-discretionary and/or discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. If non-discretionary, Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. When acting in a discretionary capacity, AFS will make the final decision regarding the initial selection, retention, removal and addition of investment options in accordance with the Plan's investment policies and objectives.
- b. Assist the Client with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- c. Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- d. Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- e. Meet with Client on a periodic basis to discuss the reports and the investment recommendations.
- f. Provide non-discretionary or discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c)(5).

2. Non-fiduciary Services are:

- a. Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands the Adviser's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, the Adviser is not providing fiduciary advice as defined by ERISA to the Plan participants. Adviser will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.

- b. Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

Adviser may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Adviser and Client.

3. The Adviser has no responsibility to provide services related to the following types of assets ("Excluded Assets"):
  - a. Employer securities;
  - b. Real estate (except for real estate funds or publicly traded REITs);
  - c. Stock brokerage accounts or mutual fund windows;
  - d. Participant loans;
  - e. Non-publicly traded partnership interests;
  - f. Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
  - g. Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of fees paid to the Adviser.

AFS will not have discretion or custody, at any time, of client funds and/or securities.

### FINANCIAL PLANNING

We also provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and expected future financial state 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 receiving this service receive a written report that summarizes the client's current financial condition and strategies developed with the objective of maximizing wealth accumulation and benefits.

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

- PERSONAL: We review family records, budgeting, personal liability, estate information and financial goals.
- TAX & CASH FLOW: We analyze the client's income tax, spending and planning for past, current and future years, and illustrate the impact of various investments on the client's current income tax and future tax liability.
- INVESTMENTS: We analyze investment alternatives and their effect on the client's portfolio.
- INSURANCE: We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

- RETIREMENT: We analyze current strategies and investment plans to help the client achieve his, her or their retirement goals.
- DEATH & DISABILITY: We review the client's cash needs at death, including the income needs of surviving dependents, estate liquidity needs, and sufficiency of disability income.
- ESTATE: We assist the client in assessing and developing long-term estate planning strategies, including the appropriateness of living trusts, wills, powers of attorney, beneficiary designations, gifts, and asset protection plans.

We gather relevant information through in-depth personal interviews and materials provided by the client. Information gathered typically includes a client's current financial status, tax status, future goals, return objectives and attitudes towards risk. We carefully review any 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, and other advisers. Implementation of financial plan recommendations is entirely at the client's discretion.

Typically the financial plan is presented to the client within six months of the initial meeting, 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.

#### FINANCIAL CONSULTING

Clients can also receive investment and other financial 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, such as the review of a client's existing investment portfolio or the review of client assets managed by other investment professionals.

Consulting recommendations are not limited to any specific product or service offered by a broker dealer or insurance company.

#### LEGACY SERVICES

At present, AFS continues to provide Pension Consulting and Third Party Manager Selection services to a limited number of advisory clients. Our Pension Consulting service consists of assisting the sponsors of 401K or other self-directed retirement plans with the selection and monitoring of the investment options made available to the participants of the plans. Our Third Party Manager Selection service consists of assisting clients with the selection and monitoring of independent investment advisers who provide those clients with portfolio management services.

AFS no longer offers these services to current, new or prospective clients.

## Item 5. Fees and Compensation

### FEES FOR INDIVIDUAL PORTFOLIO MANAGEMENT

The annual fee for our individual portfolio management service is charged as a percentage of assets under management with AFS according to the following schedules:

Balanced and Equity Portfolios		
Portfolio Value	Annual Fee	Quarterly Fee*
First \$500,000	1.00%	0.250%
Next \$500,000	0.70%	0.175%
Next \$1,000,000	0.50%	0.125%
Next \$1,000,000	0.40%	0.100%
Over \$3,000,000	0.30%	0.075%

Therefore, if a client's balanced or equity portfolio management account is valued at \$4,000,000, the annual fee would be calculated as follows:  $(\$500,000 \times 1.00\%) + (\$500,000 \times 0.70\%) + (\$1,000,000 \times 0.50\%) + (\$1,000,000 \times 0.40\%) + (\$1,000,000 \times 0.30\%)$ .

Fixed Income Portfolios		
Portfolio Value	Annual Fee	Quarterly Fee*
First \$500,000	0.50%	0.1250%
Next \$500,000	0.35%	0.0875%
Next \$1,000,000	0.25%	0.0625%
Next \$1,000,000	0.20%	0.0500%
Over \$3,000,000	0.15%	0.0375%

\*The minimum quarterly fee is \$625 per client/household.

Therefore, if a client's fixed income portfolio management account is valued at \$1,000,000, the annual fee would be calculated as follows:  $(\$500,000 \times 0.50\%) + (\$500,000 \times 0.35\%)$ .

Our annual fee is assessed quarterly, in arrears. This means that clients are charged one-quarter of the annual fee at the end of each three-month period. The management fee is based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the quarter. Clients will be invoiced or have their fees debited from their account in accordance with client authorization.

There is no minimum account value for this service; however, effective January 1, 2013 AFS has a minimum annual fee requirement of \$2,500 (\$625 per quarter) per client household. Existing clients who opened their account(s) with AFS before December 31, 2012 will be subject to the new minimum on a phased-in basis which began on June 30, 2013 and extends through September 30, 2015. The management fee is not based on capital appreciation or performance of any type.

A Fixed Income Portfolio, as used above in this Item, is a portfolio with 90% or more of its value comprised of fixed income securities or fixed-income-related securities, such as individual bonds, bond mutual funds and ETFs, CEFs, ETNs and/or cash equivalents.



### FEES FOR ASSETS HELD AWAY

Fees for these services will be based on a percentage of Assets under Management. The annual fee will be negotiable. Fees will be paid in arrears on a calendar quarter basis. Client will be provided an invoice at the end of the quarter, payable within twenty (20) days of receipt. Clients may terminate their account within five (5) business days with no obligation. For termination after five (5) business days, we will be entitled to a pro-rata fee based on the number of days account was managed.

### FEES FOR ERISA PLAN SERVICES

The compensation of AFS for the services under this Agreement is described in ERISA Agreement. ERISA Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. The AFS does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, AFS will disclose this compensation, the services rendered, and the payer of compensation. AFS will offset the compensation against the fees agreed upon under this Agreement.

### FEES FOR FINANCIAL PLANNING AND FINANCIAL CONSULTING

AFS' Financial Planning and Financial Consulting fee will be determined based on the nature of the services being provided, the complexity of each client's circumstances, and the experience and skill level of the employee(s) of AFS providing the service. All fees are agreed upon prior to entering into a contract with the client.

The fees for such services are charged on an hourly basis, typically ranging from \$100 to \$400 per hour, and are negotiated directly with the client. We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months. The balance is due upon completion of the service.

We reserve the discretion to reduce or waive a client's financial planning or financial consulting fee if the client chooses to engage us for our portfolio management services.

There is no minimum fee for these services.

### FEES FOR LEGACY SERVICES

***Pension Consulting:*** AFS' Pension Consulting fee is determined based on the nature of the services being provided, the complexity of each client's circumstances, and the experience and skill of the employee(s) of AFS providing the service. The fees for such services are charged as a fixed fee and are negotiated directly with the client. All fees were agreed upon prior to entering into a contract with the client.

***Third Party Manager Selection Service:*** AFS typically receives fees ranging from 0.10 to 1.00 percent of a client's assets invested with a third party money manager. The exact fee received by AFS for its services is disclosed to the client in the investment management agreement between the client and the third party investment adviser. Program sponsor disclosure documents will further describe all other program fees, billing arrangements

(e.g., collection of fees in advance or arrears) and service termination provisions. AFS does not control the billing features of any third party programs.

#### GENERAL FEE INFORMATION

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Negotiability of Fees:*** In certain circumstances, fees may be negotiable. Further, we may waive or discount fees for family members and friends of the owners and employees of our firm. These fee waivers or discounts are not generally available to all advisory clients of AFS.

***Grandfathering of Fees and Fee Billing Arrangements:*** Pre-existing advisory clients are subject to AFS' advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's fees and billing arrangements will differ among clients.

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees may be paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any unpaid fees will be due and payable. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

***Fund Fees:*** All fees paid to AFS for investment advisory services are separate and distinct from the fees and expenses charged by ETFs, ETNs, CEFs, mutual funds, variable life sub-accounts, and variable annuity sub-accounts (each a "Fund" and, collectively, the "Funds") to their shareholders. These fees and expenses are described in each Fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If a Fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a Fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which Fund or Funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the Funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges, fees for duplicate statements and transaction confirmations, and fees for electronic data feeds and reports. Please refer to Item 12 of this Brochure for additional information about our brokerage practices.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

***Compensation for the Sale of Securities or other Investment Products:*** Certain management persons and other employees of AFS are separately licensed as insurance agents for one or more insurance companies. As such, they, in their separate capacities as insurance agents, will be able to sell insurance and insurance-related investment products to clients, for which they will receive separate and additional compensation. AFS clients are not under any obligation to engage these individuals when considering implementation of investment recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Clients should be aware that the receipt of additional compensation by AFS' management persons or employees creates a conflict of interest and gives these individuals an incentive to recommend insurance products based on the compensation received, rather than on a client's needs. AFS endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser and takes the following steps to address this conflict:

- AFS prohibits its management persons and employees from earning commissions for transactions placed in its portfolio management client accounts;
- AFS discloses to clients the existence of all material conflicts of interest, including the potential for its employees to earn compensation from advisory clients in addition to AFS' advisory fees;
- AFS discloses to clients that they are not obligated to purchase recommended investment products from AFS' employees;
- AFS collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- AFS' management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- AFS requires that its employees seek prior approval of any outside employment activity so that AFS may ensure that any conflicts of interests in such activities are properly addressed;
- AFS periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed by AFS; and
- AFS educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

We do not charge performance-based fees (i.e., fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7. Types of Clients**

AFS provides its advisory services, where appropriate, to individuals, trusts, estates, charitable organizations, retirement plans, corporations and other business entities.

As previously disclosed in Item 5 of this Brochure, our firm has no minimum requirements for opening and maintaining an account.

## **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:

***Fundamental Analysis:*** We attempt to gauge the intrinsic value of securities, industries, sectors, regions and asset classes by looking at economic and financial factors (including traditional measures of valuation, the overall economy, industry conditions, and financial conditions) to determine if a security 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 general 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 a security.

***Technical Analysis:*** Technical analysis involves the analysis of past market movements and the application of that analysis to the present in an attempt to recognize recurring patterns of investor behavior and to predict future price movement.

Charting and cyclical analysis are types of technical analysis that we use. Charting involves the review of charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse. Cyclical analysis involves measuring the movements of a particular security relative to the overall market in an attempt to predict the price movement of the security.

Technical analysis does not consider the underlying financial conditions of a security. This presents a risk in that a poorly-managed or financially unsound investment may underperform regardless of market movement.

***Fund Analysis:*** We look at the experience and track record of the manager of ETF, CEF, mutual fund, variable life sub-account, or variable annuity sub-accounts (each a “Fund” and, collectively, the “Funds”) 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 Fund in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client’s portfolio. We also monitor the Funds in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of Fund 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, 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, which could make the holding(s) less suitable for the client's portfolio.

***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 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. Additionally, the data we review is often subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be factors that determine the value of securities other than those considered in our fundamental and technical analysis.

## INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategies 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 advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline in value before we make the decision to sell. Further, using a long-term purchase strategy generally assumes the financial markets will generate a positive total return (capital appreciation plus income) in the long-term which may not be the case. There is also the risk that the segment of the market that we are invested in or perhaps just a particular investment will decline in value over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost by "locking-up" assets that may be better utilized in the short-term in other investments.

***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. Using a short-term purchase strategy generally assumes that we

can predict how financial markets and/or individual securities will perform in the short-term which may be very difficult. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times. Therefore, a short-term purchase strategy poses risks should the anticipated price change not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Asset Allocation:** In implementing our clients' investment strategy, we begin by attempting to identify an appropriate ratio of equities, fixed-income, commodities, currencies and cash (i.e. "asset allocation") suitable to the client's investment goals and risk tolerance. In determining this asset allocation, we take a "top-down", global, multi-asset approach to managing portfolios. In doing so, we attempt to gauge a number of factors including valuation, momentum, sentiment and liquidity. We believe the successful application of this approach is effective in generating strong returns – especially on a risk-adjusted basis.

Our approach to asset allocation places a high priority on controlling the overall exposure to risk assets in relation to macro conditions, valuation and market psychology. This approach to investment management often leads us to investment conclusions that are contrary in nature.

The downside of our approach is during extraordinary events such as investment manias (i.e., Japanese stocks in the late-1980s, the NASDAQ in the late-1990s, and housing and related securities in the mid- to late-2000s), we tend to underperform. However, we believe the mark of a disciplined portfolio manager is to lean into events such as these even as the pressures of relative performance cause investors to abandon their discipline. Another risk of an asset allocation investment strategy is that a client may not participate in sharp increases in a particular security, industry or market sector. A further risk is that the ratio of securities within a portfolio will change over time due to financial market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Rebalancing:** Our view is that portfolio management – which includes rebalancing – is a continuous process, not a scheduled event. Based on a portfolio's "target" allocation or its long-term strategic investment strategy, we review the portfolio and make adjustments as conditions evolve rather than sticking with – and rebalancing to – fixed allocations without considering the economic and financial environment.

In practice, the process is subjective and complex. Many attempts have been made to create models or algorithms that rely on indicators to calculate an optimum asset allocation. However, we believe this sort of quantitative approach eventually breaks down because the assumptions that underpin the model cannot fit every set of economic and market condition.

We use various indicators to make informed decisions, but at its core, we feel asset allocation is an art that involves analysis, intuition, common sense and discipline.

**Margin:** We do not use margin transactions as an investment strategy. However, we may recommend, where appropriate, that a client establish a margin account with the client's broker. In this situation, if we are selling one stock and purchasing another stock with the proceeds, we can use the margin account to make certain that you are not left out of the purchase if we have difficulty completing the sale.

#### RISK OF LOSS

Listed above are some of the primary risks associated with the way we manage our clients' portfolios. Please do not hesitate to contact us to discuss these risks and others in more detail. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

#### **Item 9. Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

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

The Management persons and other employees of AFS may be insurance agents for various insurance companies. Please see item 5 for information regarding these relationships, the applicable conflicts of interest, and how AFS manages these conflicts.

## **Item 11. Code of Ethics, Personal Trading, and Participation in Client Transactions**

### **CODE OF ETHICS**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. AFS and our personnel owe a duty of loyalty, fairness and good faith to our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics, but to the general principles that guide the Code.

AFS's Code of Ethics includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics requires that anyone associated with this advisory practice with access to advisory recommendations, client holdings or other specified information ("access persons") provide annual securities holdings reports and quarterly transaction reports of all reportable transactions to the firm's designated officer. These reports are made available to an appropriate regulatory agency upon request and will be reviewed on a regular basis by the Chief Compliance Officer of AFS, or his designee, to supervise compliance with the firm's Code of Ethics.

Our Code also contains oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email to [Brant@AccessFinSvc.com](mailto:Brant@AccessFinSvc.com), or by telephone at (952) 885-2732.

### **SUMMARY OF PERSONAL TRADING POLICY**

Our firm, management persons and other employees may buy or sell securities for their personal accounts that are identical to or different from those recommended to our clients. In addition, the firm and these individuals may have an interest or position in a security which may also be recommended to a client. As these situations represent actual or potential conflicts of interest with our clients, we have taken the following steps to assure that: (i) the personal securities transactions of our firm and employees will not interfere with making and implementing decisions in the best interest of our advisory clients; (ii) our firm complies with its regulatory obligations; and (iii) we provide our clients with full and fair disclosure of such conflicts of interest.

1. Prohibiting the firm, its management persons and employees from:
  - a. Putting their own interest above the interest of an advisory client.
  - b. Buying or selling securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
  - c. Purchasing or selling any security immediately prior to a transaction(s) in the same securities being implemented for an advisory account.
2. Our firm requires prior approval for any IPO or private placement investments by an access person of the firm.



3. We maintain a list of all reportable securities holdings for our firm and our employees who are access persons. These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer, or his designee, to verify compliance with this personal trading policy.
4. We have established procedures for the maintenance of all required books and records.
5. We require all of our management persons and other employees to act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. We provide each employee of our firm with a copy of our Code of Ethics on an annual basis.
7. We have established policies requiring the reporting of Code of Ethics violations to our Chief Compliance Officer.
8. Any individual who violates any of the above restrictions may be subject to termination.

#### AGGREGATION OF EMPLOYEE TRADES WITH CLIENT TRANSACTIONS

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price. Transaction costs will be charged a fixed, per-trade fee or a fee based on the number of shares traded for each client (depending upon the individual client's agreement with the applicable custodian/broker). In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will not typically be included in the pro-rata allocation.

Please review the disclosures in Item 12 of this Brochure for a more detailed understanding of the firm's trade aggregation policies and procedures.

#### PRINCIPAL TRANSACTIONS

AFS and individuals associated with our firm are prohibited from engaging in principal transactions. A principal transaction is a transaction where AFS or a person associated with AFS, as principal, buys securities from, or sells securities to, an AFS client.

### **Item 12. Brokerage Practices**

#### INDIVIDUAL PORTFOLIO MANAGEMENT SERVICES

***Directed Brokerage:*** Our firm does not accept the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid by its clients. Clients must direct AFS as to the broker-dealer to be used in managing their accounts.

AFS recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc.<sup>1</sup> ("Schwab"), a FINRA<sup>2</sup> registered broker-dealer and SIPC<sup>3</sup> member, to maintain custody of clients' assets and to effect trades for their accounts. Although we suggest that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. AFS is independently owned and operated and not affiliated with Schwab. AFS has evaluated Schwab and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm in meeting our fiduciary obligations to clients.

Schwab provides AFS 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 adviser'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 AFS 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's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide research, pricing and other market data;
- facilitate payment of our fees from clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

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

- compliance, legal and business consulting;

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<sup>1</sup> For information regarding Schwab, please refer to their website: <https://www.schwab.com/>.

<sup>2</sup> FINRA is the largest independent regulator for all securities firms doing business in the United States. For more information, please refer to FINRA's website: <http://www.finra.org/>.

<sup>3</sup> For information regarding SIPC, please refer to their website: <http://www.sipc.org/>.

- 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 AFS. Schwab Institutional 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 Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Schwab if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of Schwab (or any other broker), it should be understood that AFS will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker other than Schwab). Clients should note that, while AFS has a reasonable belief that Schwab is able to obtain best execution and competitive prices, our firm will not independently seek best execution price capability through other brokers.

***Limited Brokerage Discretion:*** AFS may, however, request that it be provided written authority to determine the broker dealer to be used for the purchase or sale of certain fixed income securities for the client's account and the costs that will be incurred by the client for these transactions. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments shall also be in writing.

When AFS exercises this limited brokerage discretion in order to purchase or sell such securities, AFS will select those broker dealers that will provide quality services at competitive transaction costs. The reasonableness of brokerage costs, commissions and mark ups/mark downs is based on the broker dealer's ability to provide professional services, competitive execution and other services that will assist AFS in providing investment management services to clients. Client trades in these instruments may be blocked with transactions for other advisory clients to achieve better pricing and commission costs.

AFS has no formal or informal soft dollar arrangements with any broker dealer.

## SUMMARY OF TRADE AGGREGATION POLICY

AFS will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. AFS will typically aggregate trades among clients whose accounts can be traded at a given broker. AFS' block trading policy and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with AFS, or our firm's order allocation policy.
2. The portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
3. The portfolio manager must reasonably believe that the order aggregation will enable AFS to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
4. Prior to entry of an aggregated order, barring unusual circumstances related to timing and security price, a written list is completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must equitably share in the commissions and transaction costs. Transaction costs may be charged as a fixed, per-trade fee or a fee based on the number of shares traded for each client (depending upon the individual client's agreement with the applicable custodian/broker).
7. 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.

8. AFS' client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
9. Funds and securities for aggregated orders are clearly identified on AFS' records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
10. No client or account will be favored over another.

### LEGACY SERVICES

AFS does not arrange for the execution of securities transactions for clients as a part of these services. Pension Consulting clients are responsible for the implementation of securities transactions for these accounts.

Third Party Manager Selection Service clients should refer to the Firm Brochure(s) (Form ADV Part 2) of the recommended advisers for information on the brokerage recommendations and practices of those entities. AFS will not recommend broker dealers to be used in the management of these client accounts.

## **Item 13. Review of Accounts**

### INDIVIDUAL PORTFOLIO MANAGEMENT

**Reviews:** While the underlying securities within Individual Portfolio Management accounts are continually monitored, these accounts are reviewed on at least a quarterly basis. Specific reviews will also occur when purchasing new positions or selling positions, and at the client's request. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by the investment adviser representative assigned to the account and Brant T. Kairies, President, Chief Investment Officer and Chief Compliance Officer.

**Reports:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer/custodian, we provide quarterly reports summarizing account performance, balances and holdings. These reports also include a description of how a client's advisory fee is calculated.

### FINANCIAL PLANNING AND FINANCIAL CONSULTING

Clients receiving these services will receive reviews and reports as contracted for at the inception of the advisory relationship.

### LEGACY SERVICES

Pension consulting clients will receive reviews and reports as contracted for at the inception of the advisory relationship.

Third Party Manager Selection Service clients should refer to the Firm Brochure(s) (Form ADV Part 2) of the applicable program and/or independent investment adviser for information regarding the nature and frequency of the reviews and the reports to be provided by these advisers. AFS typically reviews these accounts on a quarterly basis and will provide reports as contracted for at the inception of the advisory relationship. These accounts are reviewed by the investment adviser representative assigned to the account and Brant T. Kairies, President, Chief Investment Officer and Chief Compliance Officer.

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

We have an agreement with Charles Schwab & Co. Inc., a custodial broker dealer, through its Advisor Services division in which we will receive a discount of up to \$4,000 on our PortfolioCenter service, a software solution provided by Schwab Performance Technologies.

It is our policy not to pay referral fees to affiliated or unaffiliated individuals or firms for referring us potential clients.

As insurance agents, our management persons and other employees are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products. While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

We address these conflicts by reviewing recommendations made to our clients to determine that all recommendations are consistent with the best interests of our clients. Please see the disclosure in Item 5 of this Brochure for additional information about how we manage these conflict of interest.

#### **Item 15. Custody**

We previously disclosed in Item 5 (the Fees and Compensation section) of this Brochure that our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account reports directly to our clients on a quarterly basis. We urge our clients to

carefully compare the information provided on these reports to the custodian's statements to ensure that all account transactions, holdings and values are correct and current.

### **Item 16. Investment Discretion**

Clients may hire us to provide discretionary portfolio management services. Where we have been provided investment discretion, we place trades in a client's account without obtaining specific client permission prior to each trade. Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell.

Clients give us discretionary authority when they sign a discretionary advisory agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Advisory clients who elect not to grant such discretionary authority to AFS are advised that trades in their accounts will typically be executed subsequent to trades effected in discretionary accounts due to the time involved in obtaining prior client approval. Consequently, these clients may not participate in blocked trades and there may be a difference in the price paid per share of a given security.

### **Item 17. Voting Client Securities**

AFS does not vote client securities. Clients maintain exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (ii) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore, AFS and/or the client shall instruct each custodian of the applicable assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

AFS also does not typically provide advice to clients regarding the clients' voting of securities.

### **Item 18. Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. AFS has no additional financial circumstances to report and has never been the subject of a bankruptcy petition.