

# Vermillion Financial Advisors, Inc.

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## Brochure

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**This brochure provides information about the qualifications and business practices of the Registrant “Vermillion Financial Advisors, Inc.”(VFA). If you have any questions about the contents of this brochure, please contact us at (847) 382-9999 or [mlaspisa@vermillionfinancial.com](mailto:mlaspisa@vermillionfinancial.com). 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.**

**Additional information about Vermillion Financial Advisors, Inc. is also available on the SEC’s Website at [www.sec.gov/investor/brokers.htm](http://www.sec.gov/investor/brokers.htm)**

**References herein to Vermillion Financial Advisors, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2 - Material Changes**

This is a revised Brochure referencing change(s) of the firm's Assets Under Management (AUM), services, fees and various other items including the following:

- **Changes to Item 4 and Item 5**

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#### **Item 4 - Advisory Business**

1. The Registrant “Vermillion Financial Advisors, Inc.” (VFA) is a corporation formed on August 2, 1988 in the State of Illinois. VFA became registered as an Investment Adviser in September 1988. VFA is owned by Mark S. La Spisa, VFA’s President.
2. VFA provides two services to our clients (individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations, etc.) as set forth below.
  - Financial Planning and Consulting Services
    - Personal Financial Inventory and Initial Financial Planning
    - Maintenance Financial Planning and Consulting
  - Investment Advisory Services

Please note: When providing “Financial Planning and Consulting Services” VFA is herein referred to as “**PLANNER**”. When providing “Investment Advisory Service” VFA is herein referred to as “**ADVISOR**”.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES**

##### **Personal Financial Inventory and Initial Financial Planning**

##### **Initial Consultation**

VFA will begin by providing the **CLIENT** a free initial consultation. VFA uses the initial consultation to introduce the **CLIENT** to VFA’s firm, its services, and staff. At the conclusion of the initial consultation and to the extent specifically requested by a **CLIENT**, VFA *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, such as retirement planning, estate planning, income tax planning, etc.) on a stand-alone separate fee basis as set forth below.

##### ***SERVICE A - Hourly Consultation (HRLY)***

**CLIENT** may select to pay **PLANNER** for services on an hourly rate for services rendered. **PLANNER** charges different fee structure for each financial **PLANNER** level as set forth under Schedule A - Fee Schedule of this agreement. If none of the below service plans have been accepted the default service plan for service rendered shall be hourly.

##### ***SERVICE B - Personal Financial Inventory (PFI)***

**PLANNER** shall prepare a written Personal Financial Inventory (PFI). The PFI is designed to document a **CLIENT**’s current financial status. The PFI will generally include (but is not limited to) the following:

1. **Personal Data:** A listing of **CLIENT**’s personal information, such as addresses, phone numbers and other important data for the family unit. The family unit would include client, spouse, children, and parents (as dependents). Also included will be a comprehensive list of applicable outside professional **PLANNERS**, such as insurance agents, accountants, attorneys and the like.
2. **Statement of Net Worth:** **PLANNER** will document the market value of all **CLIENT**’s assets less outstanding liabilities, resulting in the **CLIENT**’s net worth.
3. **Projected Cash Flow Statement:** **PLANNER** will document **CLIENT**’s household income and expenses, tax withholdings, savings/investments, and discretionary income if any.
4. **Tax Return Comparison and Preliminary Projection:** **CLIENT** will receive a side-by-side comparison of **CLIENT**’s last three federal and state tax returns. This comparison is designed to exhibit trends and habits, which will aid in calculating future tax projections and tax planning strategies. This is not a tax audit or a verification of the accuracy of the returns. Note: Tax filing mistakes may be discovered during this process and if so, appropriate recommendations will be provided. **PLANNER** will provide a preliminary projection of **CLIENT**’s current year’s income tax path based on current known factors and assumptions. Preliminary analysis will allow **CLIENT** to preview key tax data until a formal analysis is prepared as described in service C.
5. **Insurance Review:** **PLANNER** will review **CLIENT**’s existing personal policies and group insurance coverage. Each policy/coverage will be presented for simple interpretation and understanding of the benefits and specific policy key features. In addition, the review will expound on any current or possible future insurance exposure.
6. **Investment Holdings:** **PLANNER** will document **CLIENT**’s current investment positions by asset category. This will provide insight into **CLIENT**’s overall current investment mixture.
7. **Retirement Preliminary Projection:** The inventory will provide a preliminary projection of **CLIENT**’s current retirement path based on current known factors and **PLANNER**’s default assumptions. It will allow **CLIENT** to preview key data until formal retirement analyses are prepared as described in service C.

8. **Education Preliminary Projection:** If applicable, **CLIENT** will receive a projection of **CLIENT**'s current path toward funding the cost of education based on current known factors and **PLANNER**'s default assumptions.
9. **Estate Planning Review:** This section of the inventory will gather key provisions of the **CLIENT**'s current estate planning documents and provide **CLIENT** with a summary of applicable estate planning issues. It will allow **CLIENT** to preview key data until a formal estate plan is prepared as described in service C.
10. **General Recommendations:** **PLANNER** will provide a summary of key exposures and preliminary considerations discovered during the preparation of **CLIENT**'s Personal Financial Inventory. (Note: Specific recommendations are provided as the result of the financial planning and analyses as described in service C.)

### ***SERVICE C - Initial Financial Planning (IFP)***

After the completion of a Personal Financial Inventory, **CLIENT** can choose to engage **PLANNER** to provide Initial Financial Planning on a "Monthly Retainer Service" or "Modular Service". VFA shall prepare, design and implement financial plans for individuals and business owners interested in the documentation of their current financial status and possible limitations to financial goals and objectives.

VFA provides various financial analyses such as:

- Cash flow Planning
- Education Planning
- Insurance Analysis
- Retirement Planning
  - Pre-Retirement Analysis
  - Post-Retirement Analysis
- Investment Planning
- Estate Planning
- Tax Planning
  - Tax Return Review
  - Tax Projection

### ***C1 - "Monthly Retainer" Service (IFP-MRS)***

**"Monthly Retainer" Service** - If **CLIENT** selects this service, all items listed under "Initial Financial Planning Description" will be performed unless marked otherwise. **"Monthly Retainer Service"** carries a minimum commitment of 12 months of service. Services requested beyond those listed under "Initial Financial Planning Descriptions" will be performed on an hourly basis, subject to minimum fee described in "Item 5" of brochure.

### ***C2 - "Module" Service (IFP-MS)***

**"Module" Service** - **CLIENT** chooses desired service(s) under section "Initial Financial Planning Description". Additional "Modular Financial Planning" services beyond those selected will be performed on an hourly basis, subject to minimum fee described in "Item 5" of brochure.

### **Maintenance Financial Planning and Consulting Services**

These alternative programs are for those **CLIENT**'s who have completed the initial financial planning process. The original analyses and action plans implemented in the initial planning stage will be monitored in comparison to the **CLIENT**'s current financial status and the probability of reaching long-term financial goals.

The **PLANNER** shall provide **CLIENT** with the financial planning and/or consulting services selected and described below by the **CLIENT**. Any service requested by **CLIENT** not covered by below selected service **CLIENT** agrees will be provided on an hourly basis. Upon completion of the services set forth/within or failure to renew such agreement, **CLIENT** acknowledges, **PLANNER**'s engagement and corresponding responsibilities/obligations shall be concluded. Following any termination of services or in the event **CLIENT**'s financial situation or objectives change, **CLIENT** may engage **PLANNER** to review previous services and/or recommendations, and/or to provide other consulting services. **CLIENT** agrees that any such additional services shall be provided at **PLANNER**'s then current hourly rate or some other mutually agreeable fee arrangement.

### ***SERVICE A - Hourly Consultation (HRLY)***

**CLIENT** may select to pay **PLANNER** for services on an hourly rate for services rendered. **PLANNER** charges a different fee structure for each financial **PLANNER** level as set forth under Schedule A of agreement. If none of the service plans have been accepted below the default service plan for service rendered shall be hourly.

### ***SERVICE B - "Module Service Update" (MNT-MSU)***

Each of these discipline updates will be subject to a minimum of 3 hours of billable time at the **CLIENT**'s primary advisor's hourly rate. This minimum would apply to **CLIENT**'s on an hourly service or to **CLIENT**'s on maintenance program requesting more than the standard appointments covered under such maintenance program.

- Cash Flow
- Major Purchase/Event Planning (such as Education Planning, purchasing a second home, etc.)
- Estate Planning

- Insurance Planning
- Investment Planning
- Retirement Planning
- Tax Planning

### ***SERVICE C - Maintenance Plans (MNT)***

**PLANNER** offers Maintenance Plans for **CLIENTS** that have completed the initial planning stage. These maintenance programs are designed to monitor the applicable disciplines of financial planning as they pertain to the **CLIENT**. Please Note: For **CLIENTS** transitioning from inactive or hourly status, VFA requires that a **CLIENT's** Personal Financial Inventory be updated prior to being accepted into a maintenance program.

#### ***SERVICE C1 - "Monthly" Maintenance (MNT-MM)***

**"Monthly"** Maintenance offers **CLIENT** an opportunity to schedule one-appointment per month. Any appointments scheduled in compliance of this maintain plan (such as updating a **CLIENT's** existing personal inventory, financial analyses or action plans) shall not incur additional hourly charges. **PLANNER** is not obligated to provide make up appointments for cancelled meeting or meeting not scheduled by **CLIENT**. Appointments for the month of December are generally not available due to year end planning activity volume and are used to complete client service plans for the upcoming year. December appointments are only offered at the discretion of **PLANNER**.

#### ***SERVICE C2 - "Quarterly" Maintenance (MNT-QM)***

**"Quarterly"** Maintenance offers **CLIENT** an opportunity to schedule one-appointment per calendar quarter. Any appointments scheduled in compliance of this maintain plan (such as updating a **CLIENT's** existing personal inventory, financial analyses or action plans) shall not incur additional hourly charges. **PLANNER** is not obligated to provide make up appointments for cancelled meeting or meeting not scheduled by **CLIENT**. Appointments for the month of December are generally not available due to year end planning activity volume and are used to complete client service plans for the upcoming year. December appointments are only offered at the discretion of **PLANNER**.

#### ***SERVICE C3 - "Semi-Annual" Maintenance (MNT-SAM)***

**"Semi-Annual"** Maintenance offers **CLIENT** an opportunity to schedule two-appointment per calendar year. Appointments are recommended to be at least 6 months apart but are not required. Any appointments scheduled in compliance of this maintain plan (such as updating a **CLIENT's** existing personal inventory, financial analyses or action plans) shall not incur additional hourly charges. **PLANNER** is not obligated to provide make up appointments for cancelled meeting or meeting not scheduled by **CLIENT**. Appointments for the month of December are generally not available due to year end planning activity volume and are used to complete client service plans for the upcoming year. December appointments are only offered at the discretion of **PLANNER**.

#### ***SERVICE C4 - Additional Scheduled Appointments (MNT-ASA)***

**"Additional Scheduled Appointments"** In order to allow for flexibility in our maintenance programs **PLANNER** offers the opportunity to customize any above maintenance program by adding additional appointments if determined beneficial. **CLIENT** and **PLANNER** have agreed to enhance one of the above maintenance programs by adding one or more additional appointments to one of the above maintenance programs. The number of and cost for additional appointments is indicated on Fee Schedule.

## **INVESTMENT ADVISORY SERVICES**

### **Initial Consultation**

VFA will provide an Initial Investment Advisory consultation to gather information about the **CLIENT's** investment objectives, financial condition, and risk tolerance, which VFA uses in forming its investment advice. At the conclusion of the initial consultation and to the extent specifically requested by a **CLIENT**, VFA *may* determine to provide Investment Advisory Services as set forth below.

VFA offers several Investment Advisory services for a **CLIENT** to choose from depending on what a **CLIENT** determines will best meet that **CLIENT's** specific needs and long-term goals. A **CLIENT** has the option to choose one or more of such services and/or is free to switch among these services as the **CLIENT's** needs or economics change over time.

#### ***SERVICE A - Hourly Consultation (HRLY)***

**CLIENT** may select to pay **ADVISOR** for services on an hourly rate for services rendered under "Service B" only. **ADVISOR** charges a different fee structure for each financial **ADVISOR** level as set forth under Schedule A of agreement. If "Service B" has not been accepted below the default "Service B" plan for service rendered shall be hourly.

#### ***SERVICE B - Investment Analysis and/or Creation of an Investment Policy Statement (IA/IPS)***

**Investment Analysis:** In order for **ADVISOR** to determine future investment objectives, **ADVISOR** will complete an Investment Questionnaire (IQ) to review **CLIENT's** historical experiences and clarify long-term investment goals/needs. Additionally,

**ADVISOR** will utilize a risk tolerance assessment to benchmark current/desired risk tolerance. Through the use of the IQ and risk assessment, **ADVISOR** will be able to identify investment education beneficial to **CLIENT** and appropriate investment service(s). Upon completion of an IQ (if deemed beneficial to **CLIENT** by **ADVISOR**), **ADVISOR** will back-test current investment holdings for performance to determine appropriate cost structure. **ADVISOR** will design an appropriate portfolio asset allocation target. The asset allocation target will be provided in the form of a Target Investment Portfolio (TIP) recommendation or an IPS depending which is determined to be appropriate by **ADVISOR** for **CLIENT**. Specific product recommendations, investment management and on-going investment monitoring are **not** provided as part of this service. **CLIENT's** who desire specific recommendations will need to engage services found in Services C, D, E, F or G. **CLIENT** is under no obligation to execute **ADVISOR's** additional services.

**Investment Policy Statement (IPS):** Is a document drafted between **ADVISOR** and **CLIENT** that outlines general investment rules for the **CLIENT's** investment portfolio. This statement provides the general investment goals and objectives of **CLIENT** and describes the strategies and parameters that **ADVISOR** should employ to meet these objectives. Specific information on matters such as asset allocation, risk tolerance, and liquidity requirements, etc. will also be included in an IPS.

**Freedom of Choice:** **CLIENT** may implement provided asset allocation policy, at **CLIENT's** sole discretion on own, with **ADVISOR** or through the corresponding professional **ADVISOR** (s) (i.e. broker, registered representative, insurance agent, etc.) of **CLIENT's** choosing.

#### ***SERVICE C - Specific Asset Selection and Investment Recommendation Service (SASIR)***

##### ***SERVICE C1 - Do It Yourself (SASIR-DIY)***

###### **Reports included in service:**

- None

**"Do It Yourself"** is for **CLIENTs** who does not desire to transfer assets to a new custodian monitored by VFA and wants to benefit from the experience and research of **ADVISOR** may engage **ADVISOR** to provide specific "One-time" investment recommendations for any investment account with no on-going review or future services. **CLIENT** is not required to engage **ADVISOR** to provide any other service. VFA's on-going investment management and monitoring are **not** provided as part of this service.

##### ***SERVICE C2 - Starter Program (SASIR-STRT)***

###### **Reports included in service (subject to change):**

- Position Comparison Report
- Asset Index Report (Annually)

**"Starter Program"** is an entry level service to investing; it allows an investor to begin investing with the assistance of a professional. The service provides initial investment advice including type of account, specific mutual fund selection and monthly investment plan.

#### ***SERVICE D - Portfolio Implementation and Monitoring Services (PIAMS)***

**CLIENTs** who transfer assets to one of several independent custodians available to **ADVISOR** when acting as an independent registered investment advisor on behalf of a client and desires to benefit from the experience and research of **ADVISOR** may engage **ADVISOR** to provide specific "Portfolio Implementation and Monitoring Services" for such investment account(s).

Specific portfolio recommendations, on-going monitoring and portfolio maintenance can be provided either as a Target Investment Portfolio or Customized Portfolio solution.

##### ***SERVICE D1 - Target Investment Portfolio (PIAMS-TIP)***

**"Target Investment Portfolios"** are pre-designed model portfolios intended to meet a target return and amount of risk when compared to the S&P 500. TIPs are offered to those clients with **investment accounts that meet a minimum account balance of \$125,000**. TIPs are most appropriate for clients whose circumstances do not warrant a customized portfolio due to size, simplicity or lack of potential benefit to those clients. TIPs may not be used in conjunction with assets held at an outside custodian (e.g. employer sponsored retirement plan, insurance company, brokerage firm, etc.). All TIPs carry VFA standards relating to portfolio design, rebalancing and asset replacement. (See Schedule A)

###### **Reports included in service (subject to change):**

**ADVISOR** shall provide **CLIENT** the following reports as described below (**ADVISOR** reserves to change the frequency of any report at any time or to stop sending any report if **ADVISOR** believes the report provides little value.):

- TIP Highlight Report** (Quarterly) - This report shall provide an overview of all key TIP attributes including performance.
- Position Comparison Report** (Quarterly) - This report provides the ending market value of each investment holding compared to the beginning of the period along with the investment holdings current weighting as a percentage of the total portfolio's value.

- c. **Asset Allocation Report** (Quarterly)
- d. **Asset Index Report** (Annually) - This annual report shall compare (if available) each asset's performance and standard deviation to that of its benchmark.
- e. **Portfolio Investment Recommendations Trade Sheet** (As needed) - This trade sheet shall provide **CLIENT** with **ADVISOR** suggested portfolio replacement recommendations for current reporting period.

***SERVICE D2 - Custom Portfolio (PIAMS-CSTM)***

**Reports included in service (subject to change)**

- Asset Allocation Report (Quarterly)
- Investment Portfolio Position Comparison Report (Quarterly)
- Asset Index Report (Annually)
- Portfolio Investment Recommendations Trade Sheet (As needed)

**CLIENTs** who transfer assets to one of several independent custodians available to **ADVISOR** when acting as an independent registered investment advisor on behalf of a client and desires to benefit from the experience and research of **ADVISOR** may engage **ADVISOR** to provide specific "Portfolio Implementation and Monitoring Service" programs for such investment account(s). **CLIENT** will receive a quarterly position comparison reporting (clients with investments in excess of **\$250,000** will also receive a quarterly asset allocation, trade sheet showing and rebalancing recommendations otherwise these reports will be provided with scheduled annual reports ) and an annual evaluation of investment holdings. **CLIENT** will incur a monthly charge for such services calculated and adjusted quarterly. **CLIENT** is to complete a risk assessment. **CLIENT** is not required to engage **ADVISOR** to provide any other service.

***SERVICE E - Investment Portfolio Reporting and Monitoring Services (IPRAMS)***

Custom portfolios are personalized and custom-designed portfolios hereafter referred to as "portfolios" that are designed to meet a **CLIENT's** personal return target, risk tolerance and retirement needs. Portfolios consider all assets held by a **CLIENT** regardless of custodian. Portfolios are offered to **CLIENTS** whose circumstances warrant the individual design due to increased size, complexity or need. **ADVISOR** will provide its IPRAMS report service to **CLIENT** to monitor **CLIENT's** investments, as agreed to by **ADVISOR** and the **CLIENT**.

**Reports included in service (subject to change):**

- Portfolio Summary
- Portfolio Performance Returns
- Investment Activity for Period
- Portfolio History
- Current Portfolio Values
- Asset Allocation Report
- Consolidated Position and Asset Cash Flow Report
- Internal Rate of Return - Quarter, 1 year, 3 year and Inception
- Asset Projected Income Report
- Dividend and Interest Received Report (Schedule B)
- Tax Basis Report
- Distributions for Qualified/Annuity Accounts (1099R) Report
- Reposition Portfolio Report - By Owner and By Asset
- Capital Gain/Loss Report (Schedule D)
- Tax Withholding Report
- Invoice and Report Fee Calculation

**Investment Portfolio and Monitoring Services (IPRAMS)** includes a quarterly report; that address the following information:

**Portfolio Asset Ownership:**

IPRAMS will show in dollars and percentages how much of the **CLIENT's** portfolio is owned jointly, individually, in trust, etc. This will benefit a **CLIENT** who has concerns regarding estate taxes and distribution.

**Qualified/Non-Qualified Assets:**

IPRAMS will display the amount and percentage of the **CLIENT's** tax-qualified retirement and non-qualified assets. This is beneficial in retirement, tax, and major purchase and major event planning (e.g. college planning).

**Portfolio Allocation:**

IPRAMS will illustrate the **CLIENT's** current portfolio allocation by asset type (e.g. income, growth, etc.) and compare this to the targeted allocation for each **CLIENT**. This will allow the **CLIENT** to determine if reallocation of investments is needed for risk reduction and return maximization.

**Investment Selection/Mix:**

IPRAMS will compare the proportion of each of these specific investment selections to the entire portfolio. This allows the **CLIENT** to identify any additional risk in the portfolio.

**Positions Statement:**

This report will allow the **CLIENT** to evaluate the total return and performance of each investment tracked. In addition, this report will keep the **CLIENT's** tax cost basis current.

**Cash Flow:**

IPRAMS will allow the **CLIENT** to see both the current and potential income from the portfolio. It will also indicate if distributions are being received in cash or reinvested, and whether or not they are taxable.

**Tax Liability:**

IPRAMS's tax reports will inform the **CLIENT** as to the taxable consequences in the portfolio as they become known to VFA. IPRAMS will provide a running total of current tax schedules "B", "D", and 1099R throughout the year making tax reporting easier to verify and complete for those transactions that are reported to VFA.

**IPRAMS Report Review Worksheet:**

As part of each IPRAMS report, **CLIENT's** will be provided an **ADVISOR** review documenting variances in the portfolio against standard parameters established in the **CLIENT's** Investment Policy Statement (only if the **CLIENT** has determined to engage VFA to provide an Investment Policy Statement). In addition to all other data provided quarterly, this report will verify cash reserves, status, portfolio volatility (standard deviation) and portfolio stated objectives. The worksheet will provide a simple format for the **CLIENT** to compare their current portfolio to their targeted portfolio.

**Report Review Consultations:**

The **CLIENT** is entitled to a review meeting for up to one hour following receipt of each IPRAMS report. The objective of these meetings is to review past performance and discuss the future direction of the portfolio. These meetings are in addition to all other meetings as stated in the **CLIENT's** service/maintenance agreement with VFA.

**SERVICE E1 - IPRAMS Quarterly (IPRAMS-QTLY)**

**"IPRAMS Quarterly":** **CLIENT** has elected to have an **IPRAMS** report created on a **"Quarterly"** basis. All reports shall be created as of the end of a calendar quarter of the client's choosing. **"Quarterly"** reporting is subject to the **"Quarterly"** fee schedule found in "Schedule A" of this Agreement.

**SERVICE E2 - IPRAMS On-Demand (IPRAMS-OD)**

**"IPRAMS-On Demand"** Clients may elect to have an **IPRAMS** report created on an **"On Demand"** basis. All reports shall be created as of the end of a calendar quarter of the client's choosing. **"On Demand"** reporting is subject to the **"On Demand"** fee schedule found in "Schedule A" of Agreement.

**SERVICE F - Advance Investment Strategies Utilizing OPTIONS (OPT)**

**"Options"** is a contract. The contract itself is very precise. It establishes all key attributes of the obligation at which the contract may be exercised or acted on. An option is the right to buy or sell at a fixed price (the strike price) a particular stock or exchange traded fund (ETF) (officially known as the option's underlying instrument or interest) at a certain price for a limited period of time (the date the contract is bought or sold through the expiration date). When an option expires, it no longer has value and no longer exists. A **"CALL"** option gives the owner the right to buy, while the **"PUT"** option gives the owner the right to sell a targeted investment.

**"Options" Contracts Trade Approval:** When a **CLIENT** decides to utilize options in their portfolio; **ADVISOR** is not authorized to effect any new/initial option transactions for the **Account** without prior authorization from the **CLIENT**. **However**, the **CLIENT** hereby authorizes the **ADVISOR**, without granting **ADVISOR** discretionary authority, to take the following actions on all option contracts in **CLIENT's** portfolio without prior consultation for the **CLIENT**: (1) to roll forward an **option position** consistent with the previously agreed upon **option strategy** and preexisting security positions; (2) to avoid the option contract from falling into a negative cash position beyond an amount predetermined by **CLIENT** as a result of a market movement and, (3) close out an existing option contract to avoid assignment of underlying security or remove a limit on **CLIENT's** profit. These authorized actions are in addition to any trade authority granted under "Trade Approval" found within scope of the agreement.

**"Options" usage in retirement accounts:** In the event that the **Account** is a retirement plan (IRA, 401k, Simple, etc.), **CLIENT** acknowledges that **ADVISOR's** option strategies may be limited to the investment alternatives allowed by IRS regulations and by the custodian of such assets.

**SERVICE F1 - Portfolio Hedging (OPT-HDG)**

**"Hedging"** is the process whereby **ADVISOR** designs a strategy to limit investment exposure to an underlying investment position or asset class from declining in value for a predetermined time to a desirable return range authorized and accepted by **CLIENT** in advance.



## ***SERVICE F2 - Investment Replication (OPT-REP)***

**“Replication”** is a multiple option strategy that allows **CLIENT** to buy and sell two or more option contracts with the goal to replicate a targeted upside potential of a specific investment or asset class for a pre-determined time period. The strategy also allows **CLIENT** to identify in advance the downside risk of such investment and limit risk at time of option contracts purchase (or sale) when compared to the outright purchase of the specific investment.

## ***SERVICE F3 - Portfolio Income Enhancement on Existing Investment Holdings (OPT-INC)***

**“Income”** is a strategy of enhancing portfolio income by selling options and collecting a premium. The strategy is to generate additional income which consists of selling on existing investment positions CALL options (the right for another investor to buy their stock from them at a target price) or PUT options on an investment position **CLIENT** desires to own in portfolio if market value share price drops in future. This strategy is not free of risk and does possess the risk of buying a security from cash or selling an existing security unintentionally and creating a capital gain.

## ***SERVICE G - Retirement Plan Support and Monitoring Services (RPSAMS)***

### ***SERVICE G1 - Retirement Plan Design, Investment Analysis and/or Creation of an Investment Policy Statement (RPSAMS-IA/IPS)***

**Retirement Plan Investment Policy Statement:** Is a document drafted between **ADVISOR** and **CLIENT** that outlines general investment rules for the **CLIENT**'s investment portfolio. This statement provides the general investment goals and objectives of **CLIENT** and describes the strategies and parameters that **ADVISOR** should employ to meet these objectives. Specific information on matters such as asset allocation, risk tolerance, and liquidity requirements, etc. will also be included in the P- IPS.

### ***SERVICE G2 - Pension Plan Fiduciary Meeting and Monitoring Service (RPSAMS-PEN)***

#### **Reports included in service (subject to change):**

- Portfolio Summary
- Internal Rate of Return - Quarter, 1 Year, 3 Year and Inception
- Portfolio Performance Returns
- Investment Activity for Period
- Portfolio History
- Current Portfolio Values
- Asset Allocation Report
- Consolidated Position and Asset Cash Flow Report
- Asset Projected Income report
- Dividend and Interest Received Report (Schedule B)
- Tax Basis Report
- Distributions for Qualified/Annuity Accounts (1099R) Report
- Reposition Portfolio Report - By Owner and By Asset
- Capital Gain/Loss Report (Schedule D)
- Tax Withholding Report
- Invoice and Report Fee Calculation

**ADVISOR** will provide its PENSION report service to **CLIENT** to monitor **CLIENT**'s investments, as agreed to by **ADVISOR** and the **CLIENT**. **PENSION** reports are created at the discretion of advisor on a **“Quarterly”** basis for those clients who warrant this frequency. **“PENSION”** fee schedule found in **“Schedule C”** of Agreement.

**Fiduciary Meeting:** Advisor will meet with **CLIENT** at the location of their choosing. The objective of meeting it to review all PENSION reports and discuss key plan factors such as plan objectives, plan performance, cost and future changes required to keep the plan in compliance.

**Employee Enrollment and Education:** **ADVISOR** will provide employee enrollments and education meetings as necessary.

**Retirement Plan Monitoring:** **ADVISOR** will provide (at advisors discretion) the appropriate quarterly reports to monitor key factors of the retirement plan as required by the various regulatory bodies to keep the plan in compliance.

**Investment Selection:** **ADVISOR** will provide and monitor a menu of investment choices to fund retirement plan and from which employees may choose to fund plan assets.

**Model Portfolios:** Model portfolios are personalized and custom-designed portfolios hereafter referred to as **“portfolios”** that are designed to meet a **CLIENT**'s return target, risk tolerance and employee retirement needs. Portfolios are offered to **CLIENTS** whose employees warrant the individual design due to lack of investment knowledge, experience or time to properly select investments to fund their personal retirement needs/goals.

**Investments included under Portfolio Monitoring:** All investments will be included in the PENSION report unless otherwise indicated on Schedule B. The client, in writing, may request to add or subtract any investments from the PENSION report. The

**CLIENT** hereby agrees that any new investment(s) made from the proceeds of the sale/completion of an investment currently being tracked, will automatically be tracked, unless otherwise notified by the **CLIENT**. Any new investment(s) purchased through **ADVISOR** will automatically be included on future reports unless otherwise indicated by the client in writing. Any additional contributions to an investment selected for tracking by **PENSION** will be included in the report. For any **Account** that require **ADVISOR** to manually input data for reporting purposes, the **CLIENT** acknowledges that the annual **PENSION** fee for that Account shall be subject to a twenty percent (20%) premium charge.

## MISCELLANEOUS

**Non-Investment Consulting/Implementation Services:** To the extent requested by the **CLIENT**, VFA *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither VFA, nor any of its representatives, serves as an attorney or accountant, and no portion of VFA's services should be construed as same. To the extent requested by a **CLIENT**, VFA may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of VFA in their separate licensed capacities as discussed below. The **CLIENT** is under no obligation to engage the services of any such recommended professional. The **CLIENT** retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the VFA. **Please Note:** If the **CLIENT** engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the **CLIENT** agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the **CLIENT's** responsibility to promptly notify VFA if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising VFA's previous recommendations and/or services.

**Please Also Note: Valuation:** In the event that VFA references private investment funds owned by the **CLIENT** on any supplemental account reports prepared by the VFA, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be **significantly more or less** than the original purchase price.

**Trade Approval: ADVISOR** is not authorized to effect transactions for the Account without prior authorization from the **CLIENT**. However, the **CLIENT** hereby authorizes the **ADVISOR**, without granting **ADVISOR** discretionary authority, to take the following actions without prior consultation with the **CLIENT**: (1) to rebalance **CLIENT's** portfolio consistent with the previously agreed upon asset allocation and preexisting security positions; (2) to add to pre-existing securities positions upon the receipt of new funds from the **CLIENT**; (3) to liquidate any position(s) in the event the **CLIENT** requests funds from any **Account** if such liquidation is necessary to raise the amount of funds requested; (4) to avoid the **Account** falling into a negative cash position as result of a **CLIENT** designated transaction; (5) to switch an existing investment into its lower cost share class alternative; (6) to lock in capital losses/gains for tax planning purposes, (when in excess of previously agreed size), and switching proceeds to cash (or an ETF for the asset class of such sold asset) for 31 days then reversed; (7) to adjust existing stop orders as needed to maintain **CLIENT's** stop to market value ratios as documented in capital preservation goals; (8) to adjust existing instructions for client distribution/contribution plans (including if allowed by custodian required minimum distribution withdrawal amount as needed to meet annual IRS withdrawal requirements); (9) when multiple **CLIENTS** engage **ADVISOR** as a "couple", they do so with the intent of doing so in the best interest of both parties. **CLIENTS** who are a couple authorize advisor to accept investment instructions from one of the multiple parties regardless of registration of investment accounts; (10) to substitute a proportional blend asset for a 50/50 split between growth and value of the same asset class (ex: 4% mid cap blend as a surrogate for 2% mid cap growth and 2% mid cap value) and (11) to close out any option contracts (put/call) within 30 days of an expiration date to lock in a profit/loss or to avoid assignment once notice of assignment has been received.

When multiple **CLIENTS** engage **ADVISOR** as a "couple", they do so with the intent of doing so in the best interest of both parties. **CLIENT's** who are a couple authorize **ADVISOR** to accept investment instructions from one of the multiple parties regardless of registration of investment accounts.

**Please Note: Inverse/Enhanced Market Strategies.** VFA may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a **CLIENT** may direct the VFA, in writing, not to employ any or all such strategies for his/her/their/its accounts.

**Please Note: Non-Discretionary Service Limitations.** **CLIENT's** that determine to engage VFA on a non-discretionary investment advisory basis **must be willing to accept** that VFA cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the **CLIENT**. Thus, in the event of a market correction during which the **CLIENT** is unavailable, VFA will be unable to effect any account transactions (as it would for its discretionary **CLIENT's**) without first obtaining the **CLIENT's** verbal consent.

**Trade Error Policy:** It is VFA's policy that trade errors be resolved in the **CLIENT's** favor. **CLIENT** accounts that experience a loss resulting from VFA's trade errors shall be reimbursed. **CLIENT** accounts that experience a gain resulting from VFA's trade errors shall not experience the benefit of those gains; rather, any such gains will be donated to the charity of VFA's choice. No **CLIENT** will bear the cost of the trade error, and the firm may not permit one **CLIENT's** account to be used to correct an error made on behalf of another **CLIENT**.

Any VFA representative who identifies a potential trade error shall immediately report such potential trade error to the Chief Compliance Officer. The CCO shall be responsible for promptly investigating the alleged error, and, if the CCO determines that an actual trade error occurred, for correcting the actual trade error. The CCO may determine to inform VFA's errors and omissions carrier of the trade error and any claims arising out of the trade error.

The Chief Compliance Officer shall maintain all relevant information about the trade error, including information about the discovery, cause, and resolution thereof."

**CLIENT Obligations:** In performing its services, VFA shall not be required to verify any information received from the **CLIENT** or from the **CLIENT's** other professionals, and is expressly authorized to rely thereon. Moreover, each **CLIENT** is advised that it remains his/her/its responsibility to promptly notify VFA if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising VFA's previous recommendations and/or services.

**Disclosure Statement:** A copy of this written Brochure is provided to each **CLIENT** prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*, and thereafter on an annual basis within 120 days after then of VFA's fiscal year. Any **CLIENT** who has not received a copy of VFA's written Brochure at least 48 hours prior to executing the *Investment Advisory Agreement or Financial Planning and Consulting Agreement* shall have five business days subsequent to executing the agreement to terminate the VFA's services without penalty.

VFA shall provide investment advisory services specific to the needs of each **CLIENT**. Prior to providing investment advisory services, an investment adviser representative will ascertain each **CLIENT's** investment objective(s). Thereafter, VFA shall allocate and/or recommend that the **CLIENT** allocate investment assets consistent with the designated investment objective(s). The **CLIENT** may, at any time, impose reasonable restrictions, in writing, on the VFA's services.

1. VFA does not participate in a wrap fee program.

As of **December 31, 2014**, VFA had **\$135,000,000** in assets under management (AUM) on a non-discretionary basis and **\$165,000,000** under advisement (Non-managed real estate and business interest).

## **Item 5 - Fees and Compensation**

**CLIENT** can determine to engage VFA to provide non-discretionary investment advisory services on a *fee* basis.

### **FINANCIAL PLANNING AND CONSULTING SERVICE**

To the extent specifically requested by a **CLIENT**, VFA *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. VFA's planning and consulting fees are as follows:

#### **Personal Financial Inventory and Initial Financial Planning**

##### ***SERVICE A - Hourly Consultation (HRLY)***

All service agreements are subject to hourly fees for service requests that are not covered by Service plan B or C below. **PLANNER** hourly rates apply to all requests for services not otherwise covered by this or any other executed **PLANNER** agreement, is subject to change and are not guaranteed through the entire period of this service agreement. Hourly rate changes are expected to occur at the start of each new calendar year. Preparation required for services requested by **CLIENT**, which are not covered by any flat fee, as described previously, will also be billed at the prevailing hourly rates subject to minimum fees (see Modular Service below). The fee for services rendered will be due and payable in full at the time of the appointment. Any ad hoc **CLIENT** service request carries a minimum fee of one-half hour which applies to all preparation done by a **PLANNER** employee as indicated below. The below indicates the level of primary advisor. Should another advisor be required or consulted their fee level will apply. Advisor reserves the right to request a retainer in advance of any hourly work.

#### **Advising Staff**

Personal Financial Counselor	<b>\$220</b>
Personal Financial Advisor	<b>\$255</b>
Senior Financial Advisor	<b>\$305</b>
Managing Advisor	<b>\$355</b>

#### **Support Staff**

Administration	<b>\$130</b>
Technicians	<b>\$170</b>
Accounting	<b>\$170</b>

##### ***SERVICE B - Personal Financial Inventory Service (PFI)***

**CLIENT** agrees to pay **PLANNER** the below checked flat fee to prepare a Personal Financial Inventory. An initial payment of fifty percent of the applicable inventory fee is due upon engagement with the balance due at the time the personal inventory is presented.

Personal Financial Counselor	The flat fee is <b>\$2,650</b>	Senior Financial Advisor	The flat fee is <b>\$3,400</b>
Personal Financial Advisor	The flat fee is <b>\$2,900</b>	Managing Advisor	The flat fee is <b>\$4,000</b>

## ***SERVICE C - Initial Financial Planning Services (IFP)***

### ***SERVICE C1 - Monthly Retainer (IFP-MRS)***

**CLIENT** accepts the “Monthly Retainer Service” under “Service C” of this agreement, then **CLIENT** agrees to pay **PLANNER** the below fee to provide Initial Financial Planning Consultation Services as described in agreement.

**Personal Financial Counselor:** The flat monthly fee is the greater of **\$390** per month or 1.75% of gross income, or .0020 of net-worth as determined from the Personal Financial Inventory (The gross income and net worth alternative calculation only applies to clients with incomes in excess of **\$270,000** or Net Worth in excess of **\$2,300,000**). \*,\*\*

**Personal Financial Advisor:** The flat monthly fee is the greater of **\$460** per month or 2.00% of gross income, or .0025 of net-worth as determined from the Personal Financial Inventory (The gross income and net worth alternative calculation only applies to clients with gross incomes in excess of **\$270,000** or Net Worth in excess of **\$2,200,000**). \*,\*\*

**Senior Financial Advisor:** The flat monthly fee is the greater of **\$545** per month or 2.25% of gross income, or .0030 of net-worth as determined from the Personal Financial Inventory (The gross income and net worth alternative calculation only applies to clients with gross incomes in excess of **\$290,000** or Net Worth in excess of **\$2,200,000**). \*,\*\*

**Managing Advisor:** The flat monthly fee is the greater of **\$645** per month or 2.50% of gross income, or .0035 of net-worth as determined from the Personal Financial Inventory (The gross income and net worth alternative calculation only applies to clients with gross incomes in excess of **\$310,000** or Net Worth in excess of **\$2,200,000**). \*,\*\*

*\*If **CLIENT** has previously engaged VFA through the Investment Advisory Agreement and has paid fees for an Investment Analysis and Investment Policy Statement (IPS) to be created, the **CLIENT** will receive a credit to their financial consulting fee for such fees paid should the **CLIENT** later engage VFA to provide planning services.*

*\*\* If following the initial period of 12 months, planner deems it beneficial to client to switch to a maintenance service plan; planner reserves the right at planner's discretion to lower clients above monthly fee to the appropriate current prevailing maintenance program fee schedule.*

### ***SERVICE C2 - Modular Service (IFP-MS) (Financial Planning A' la Carte)***

**CLIENT** selects disciplines on a Modular (A' la Carte - pick and choose) to be completed on an hourly basis subject to a minimum of **3** hours of **CLIENT**'s primary **PLANNER**'s time. All staff member's time will be added to this total.

<b>Advising Staff</b>		<b>Support Staff</b>	
Personal Financial Counselor	<b>\$220</b>	Administration	<b>\$130</b>
Personal Financial Advisor	<b>\$255</b>	Technicians	<b>\$170</b>
Senior Financial Advisor	<b>\$305</b>	Accounting	<b>\$170</b>
Managing Advisor	<b>\$355</b>		

## **Maintenance Financial Planning and Consulting**

### ***SERVICE A - Hourly Consultation (HRLY)***

**PLANNER** hourly rates apply to all requests for services not otherwise covered by this or any other executed **PLANNER** agreement, is subject to change and are not guaranteed through the entire period of service agreement. Hourly rate changes are expected to occur at the start of each new calendar year. Preparation required for services requested by **CLIENT**, which are not covered by any flat fee, as described previously, will also be billed at the prevailing hourly rates subject to minimum fees (see Modular Service below). The fee for services rendered will be due and payable in full at the time of the appointment. Any ad hoc **CLIENT** service request carries a minimum fee of one-half hour which applies to all preparation done by a **PLANNER** employee as indicated below. The below indicates the level of primary advisor. Should another advisor be required or consulted their fee level will apply. Advisor reserves the right to request a retainer in advance of any hourly work.

<b>Advising Staff</b>		<b>Support Staff</b>	
Personal Financial Counselor	<b>\$220</b>	Administration	<b>\$130</b>
Personal Financial Advisor	<b>\$255</b>	Technicians	<b>\$170</b>
Senior Financial Advisor	<b>\$305</b>	Accounting	<b>\$170</b>
Managing Advisor	<b>\$355</b>		

### ***SERVICE B - Module Service Update (MNT-MSU)***

Each of these discipline updates will be subject to a minimum of **3** hours of billable time at the **CLIENT**'s primary **ADVISOR**'s hourly rate listed above. This minimum would apply to **CLIENT**'s on an hourly service or to **CLIENT**'s on Limited Maintenance requesting more than the standard two appointments covered under the Limited Maintenance Agreement.

<b>Advising Staff</b>			
Personal Financial Counselor	<b>\$220</b>	Senior Financial Advisor	<b>\$305</b>
Personal Financial Advisor	<b>\$255</b>	Managing Advisor	<b>\$355</b>

### ***SERVICE C - Maintenance Plans (MNT)***

#### ***SERVICE C1 - Monthly Maintenance (MNT-MM)***

The appropriate financial **ADVISOR** level as set forth below determines the “Monthly” maintenance fee.

##### **Personal Financial Counselor:**

**CLIENT** fee is the greater of **\$390** per month minimum fee or per month (50% discount off the flat full service fee (greater of **1.75%** of current gross income or **.0020** of current net worth) (The gross income and net worth alternative calculation only applies to clients with gross incomes in excess of **\$270,000** or Net Worth in excess of **\$2,300,000**).

##### **Personal Financial ADVISOR:**

**CLIENT** fee is the greater of **\$460** per month minimum fee or per month (50% discount off the flat full service fee (greater of **2.00%** of current gross income or **.0025** of current net worth) (The gross income and net worth Alternative calculation only applies to clients with gross incomes in excess of **\$270,000** or Net Worth in excess of **\$2,200,000**).

##### **Senior Financial ADVISOR:**

**CLIENT** fee is the greater of **\$545** per month minimum fee or per month (50% discount off the flat full service fee (greater of **2.25%** of current gross income or **.0030** of current net worth) (The gross income and net worth alternative calculation only applies to clients with gross incomes in excess of **\$290,000** or Net Worth in excess of **\$2,200,000**).

##### **Managing ADVISOR:**

**CLIENT** fee is the greater of **\$645** per month minimum fee or per month (50% discount off the flat full service fee (greater of **2.50%** of current gross income or **.0035** of current net worth) (The gross income and net worth alternative calculation only applies to clients with gross incomes in excess of **\$310,000** or Net Worth in excess of **\$2,200,000**).

#### ***SERVICE C2 - Quarterly Maintenance (MNT-QM)***

The appropriate financial advisor level as set forth below determines the “Quarterly” maintenance fee.

Personal Financial Counselor	<b>\$260</b> per month
Personal Financial Advisor	<b>\$310</b> per month
Senior Financial Advisor	<b>\$360</b> per month
Managing Advisor	<b>\$425</b> per month

#### ***SERVICE C3 - Semi-Annual Maintenance (MNT-SAM)***

The appropriate financial advisor level as set forth below determines the “Semi-Annual” maintenance fee.

Personal Financial Counselor	<b>\$175</b> per month
Personal Financial Advisor	<b>\$205</b> per month
Senior Financial Advisor	<b>\$240</b> per month
Managing Advisor	<b>\$280</b> per month

#### ***SERVICE C4 - Additional Scheduled Maintenance (MNT-ASA)***

The appropriate financial advisor level as set forth below determines the “Additional Scheduled” maintenance fee.

**PFC:** (**\$220** per hour x 3 hours, plus 1 hours of administrative time x **\$130** = **\$790** x .75 = **\$593/12** =>) **\$49** per month/ per additional appointment.

**PFA:** (**\$255** per hour x 3 hours, plus 1 hours of administrative time x **\$130** = **\$895** x .75 = **\$671/12** =>) **\$56** per month/ per additional appointment.

**SFA:** (**\$305** per hour x 3 hours, plus 1 hours of administrative time x **\$130** = **\$1045** x .75 = **\$784/12**=>) **\$65** per month/ per additional appointment.

**MA:** (**\$355** per hour x 3 hours, plus 1 hours of administrative time x **\$130** = **\$1195** x .75 = **\$896/12** =>) **\$75** per month/ per additional appointment.

## INVESTMENT ADVISORY SERVICE

If a **CLIENT** determines to engage VFA to provide non-discretionary investment advisory services on a fee basis, the VFA's annual investment advisory fee shall be as follows:

### ***SERVICE A - Hourly Consultation(HRLY) and Account Set-Up Fee***

**ADVISOR** hourly rates are subject to change and are not guaranteed through the entire period of Agreement. Note: Hourly rate changes will commence upon receipt of written notification advising the amount and date certain of said change. Hourly rate changes are expected to occur at the start of each new calendar year. Preparation required for services requested by **CLIENT** will also be billed at the prevailing hourly rates subject to minimum fees. Any ad hoc **CLIENT** service request carries a minimum fee of one-half hour which applies to all preparation done by **ADVISOR** and/or **ADVISOR's** staff member.

#### **Hourly Fees:**

##### ***Advising Staff***

Personal Financial Counselor	<b>\$220</b>
Personal Financial Advisor	<b>\$255</b>
Senior Financial Advisor	<b>\$305</b>
Managing Advisor	<b>\$355</b>

##### ***Support Staff***

Administration	<b>\$130</b>
Technicians	<b>\$160</b>
Accounting	<b>\$160</b>

**Set-Up Fee:** All investment accounts that required to be established are subject to an initial set-up fee.

**Account Set-Up Fee** to open a new account **\$100**

### ***SERVICE B - Investment Analysis and/or Creation of an Investment Policy Statement (IA/IPS)***

For **CLIENTs** who have not had an investment analysis completed previously under a separate Initial Financial Planning agreement, an investment analysis can be completed under Agreement on an hourly basis, subject to the **ADVISOR's** "Hourly Consultation" rate. All services for an investment analysis are not considered as part of services B or C under this Agreement. The investment analysis **and/or Creation of an Investment Policy Statement (IPS)** is/are subject to a minimum of 8 hours of **CLIENTs** primary **PLANNERS** time. All staff member's time will be added to this total. Minimum Fee required to be paid in advance:

Personal Financial Counselor	<b>\$1,750</b>	Personal Financial Advisor	<b>\$2,050</b>
Senior Financial Advisor	<b>\$2,425</b>	Managing Advisor	<b>\$2,850</b>

### ***SERVICE C - Specific Asset Selection and Investment Recommendation Service (SASIR)***

#### ***SERVICE C1 - Do it Your-self (SASIR-DIY)***

The "Do It Yourself" minimum fee is an asset based fee of 4% and is charged on a one-time basis to the **CLIENT's** entire investment portfolio which carries a minimum fee.

#### **"Do It Yourself" Minimum Fee:**

Personal Financial Counselor	<b>\$660</b>	Senior Financial Advisor	<b>\$915</b>
Personal Financial Advisor	<b>\$765</b>	Managing Advisor	<b>\$1,065</b>

#### ***SERVICE C2 - Starter Program (SASIR-STRT)***

The "Starter Program" fees schedule is set forth below. The fee schedule below is intended to cover **ADVISOR's** services and limited investment review, specific asset selection and investment recommendations. When unusual duties are involved additional charges will apply depending on the additional services (investment holdings related class action law-suit applications, cost basis research, manual entry of historical transaction history, etc.).

Market Value of Assets in "On-Going with Limited Review"	"On-Going with Limited Review" Annualized Fee as a Percentage of Assets	Aggregate Amount
First \$1,000,000	1.000 %	\$10,000
Amounts over \$1,000,000 are subject to Fee Table A below		

**"Starter Program" Suggested Minimum Portfolio Size: \$30,000**

#### **"Starter Program" Monthly Minimum Fee:**

Individuals:	<b>\$50</b>	Pension Plans:	<b>\$100</b>
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At the discretion of **ADVISOR**, portfolios below the above minimum portfolio size may qualify for courtesy account status. For any account granted courtesy account status, once suggested portfolio size has been reached the above Fee schedule will apply. Courtesy accounts do not receive any **ADVISOR** reporting or review services while under **COURTESY** status. All courtesy accounts are still subjected to any and all account set-up fees.

#### **SERVICE D - Portfolio Implementation and Monitoring Services (PIAMS)**

Target Investment Portfolio (TIP) and Custom Portfolio (Custom) services under section D are subject to fee Table A below:

Market Value of Assets in “Target Investment Portfolio”	“Target Investment Portfolio” Annualized Fee as a Percentage of Assets	Aggregate Amount
First \$1,000,000	1.000 %	\$10,000
Next \$1,000,000	0.875 %	\$18,750
Next \$1,000,000	0.750 %	\$26,250
Next \$2,000,000	0.625 %	\$38,750
Over \$5,000,001	0.500 %	

#### **SERVICE D1 - Target Investment Portfolio (PIAMS-TIP)**

In addition to the annual fee set forth below, when unusually duties are involved additional charges will apply depending on the additional services (investment holdings related class action law-suit applications, cost basis research, manual entry of historical transaction history, etc.).

#### **“Target Investment Portfolio” Monthly Minimum Fee and “Suggested” Minimum Portfolio Size:**

	<b>Individual</b>		<b>Pension Plans</b>	
	Monthly Fee (Indv)	Min. Portfolio Size	Monthly Fee (Pen)	Min. Portfolio Size
Personal Financial Counselor	<b>\$100</b>	<b>\$125,000</b>	<b>\$150</b>	<b>\$180,000</b>
Personal Financial Advisor	<b>\$200</b>	<b>\$250,000</b>	<b>\$300</b>	<b>\$375,000</b>
Senior Financial Advisor	<b>\$300</b>	<b>\$375,000</b>	<b>\$450</b>	<b>\$575,000</b>
Managing Advisor	<b>\$400</b>	<b>\$500,000</b>	<b>\$600</b>	<b>\$750,000</b>

#### **SERVICE D2 - Custom Portfolio (PIAMS-CSTM)**

In addition to the “Custom Portfolio” fee set forth below, if the initial set up requires more than seven hours, the **CLIENT** will be billed hourly after that point at the going technician hourly rate.

#### **“Custom Portfolio” Monthly Minimum Fee:**

			<b>Suggested Minimum Portfolio Size</b>	
	Individuals	Pension Plans	Individuals	Pension Plans
Personal Financial Counselor:	<b>\$225</b>	<b>\$350</b>	<b>\$250,000</b>	<b>\$425,000</b>
Personal Financial Advisor:	<b>\$450</b>	<b>\$600</b>	<b>\$500,000</b>	<b>\$725,000</b>
Senior Financial Advisor:	<b>\$675</b>	<b>\$850</b>	<b>\$750,000</b>	<b>\$ 1,025,000</b>
Managing Advisor:	<b>\$900</b>	<b>\$1,100</b>	<b>\$1,000,000</b>	<b>\$ 1,300,000</b>

#### **SERVICE E - Custom Portfolio Reporting and Monitoring (IPRAMS)**

#### **SERVICE E1- IPRAMS Quarterly (IPRAMS-QTRLY)**

In addition to the **monthly minimum fee** set forth below, the **CLIENT** agrees to pay **ADVISOR** a **one-time set-up fee** for initial set-up and research below. If this initial set up requires more than seven hours, the **CLIENT** will be billed hourly after that point at the going technician hourly rate.

**IPRAMS “Quarterly” Set-Up Fee: \$1,200**

#### **IPRAMS “Quarterly” Monthly Minimum Fee:**

	Individuals	Suggested Minimum Portfolio Size
Personal Financial Counselor:	<b>\$630</b>	<b>\$500,000</b>
Personal Financial Advisor:	<b>\$950</b>	<b>\$750,000</b>
Senior Financial Advisor:	<b>\$1,250</b>	<b>\$1,000,000</b>
Managing Advisor:	<b>\$1,525</b>	<b>\$1,250,000</b>

The fee schedule below is intended to cover **ADVISOR**’s IPRAMS service. When unusual duties are involved additional charges will apply depending on the additional services (investment holdings related class action law-suit applications, cost basis research, manual entry of historical transaction history, etc.). (For example: After initial set-up, any investment monitored under IPRAMS

which requires **ADVISOR** to manually enter transaction data and market values will be subject additional hourly fees to cover the additional time/cost of manual entry.

Market Value of Assets on Quarterly Portfolio Reporting and Monitoring (IPRAMS)	Quarterly Portfolio Reporting and Monitoring (IPRAMS) Annualized Fee as a Percentage of Assets	Aggregate Amount
First \$1,000,000	1.5000 %	\$15,000
Next \$1,000,000	1.3125 %	\$28,125
Next \$1,000,000	1.1250 %	\$39,375
Next \$2,000,000	.9375 %	\$58,125
Over \$5,000,001	.7500 %	

#### **SERVICE E2 - "On Demand" Portfolio Reporting and Monitoring (IPRAMS-OD)**

In addition to the annual fee set forth below, the **CLIENT** agrees to pay **ADVISOR** a **one-time set-up fee for initial set-up and research**. On Demand IPRAMS fees are the greater of below minimum reporting fee or a fee determined by the following fee schedule. (Note: If an On Demand report has not been created in more than four consecutive quarter's additional hourly fees will apply for the data input to bring the investment data current.)

#### **IPRAMS "On-Demand" Set-Up Fee: \$1,200**

#### **IPRAMS "On-Demand" Minimum Reporting Fee:**

	Minimum Fee	Suggested Minimum Portfolio Size
Personal Financial Counselor	<b>\$840</b>	<b>\$500,000</b>
Personal Financial Advisor	<b>\$1,260</b>	<b>\$750,000</b>
Senior Financial Advisor	<b>\$1,650</b>	<b>\$1,000,000</b>
Managing Advisor	<b>\$2,175</b>	<b>\$1,250,000</b>

Fee Schedule for Assets Monitored with a Market Value in Excess of Suggested Minimum		
Market Value of Assets Monitored "On Demand" Portfolio Reporting and Monitoring (IPRAMS-OD)	"On Demand" Portfolio Reporting and Monitoring (IPRAMS-OD) individual report fee as a Percentage of Assets	Aggregate Amount
First \$1,000,000	.20%	\$2,000
Next \$1,000,000	.175%	\$3,750
Next \$1,000,000	.15%	\$5,250
Next \$2,000,000	.125%	\$7,750
Over \$5,000,001	.10 %	

#### **SERVICE E - Advanced Investment Strategies Utilizing "Options" (OPT)**

#### **SERVICE E1 - Portfolio Hedging (OPT-HDG)**

#### **SERVICE E2 - Investment Replication (OPT-REP)**

#### **SERVICE E3 - Portfolio Income Enhancement on Existing Investment Holdings (OPT-INC)**

- The annual fee structure is designed to allow the client to pick and choose the service that best fits their needs. **HEDGE, REP** and **INCOME** fees quoted below based upon the market value of the "Notional Value" option strategy (for an example of notional value see below). The fee schedule below is intended to cover **ADVISOR's** time and liability to set up the option strategy, present and execute trade transaction.
- The transaction fee for each **HEDGE, REP** and **INCOME** strategy shall be the greater of **\$500** or ½ of **1% (.005)** of the notional value of the option contracts used to process the **HEDGE, REP** and **INCOME** strategy. Spreads (two transactions executed on the same underlying security at the same time to create a single objective) or Strings (three transactions executed on the same underlying security at the same time to create a single objective) will only need to satisfy the notional value of the main option trade.

#### **Examples of HEDGE, REP and INCOME Fees:**

Description	Notional Value
<b>REP:</b>	
Buy 10 CALL contracts of XYZ@145	\$145,000
<b>HEDGE:</b>	
BUY 10 CALL contracts of XYZ@45 (MAIN in the money contract)	\$45,000



SELL 10 CALL contracts of XYZ@65

N/A

BUY 10 PUT contracts of XYZ@30

N/A

**INCOME:**

SELL 10 CALL contracts of XYZ@45

\$45,000

- c) Finally, the **HEDGE**, **REP** and **INCOME** fees may or may not be income tax deductible. See your tax professional/accountant to determine whether your fee would be deductible.

**SERVICE G - Retirement Plan Support and Monitoring Services (RPSAMS)**

**SERVICE G1 - Retirement Plan Design, Investment Analysis and/or Creation of an Investment Policy Statement (RPSAMS-IA/IPS)**

Pension Plans that have not had an investment analysis, or plan design evaluation completed previously under a separate Initial Financial Planning agreement, an investment analysis or plan design evaluation can be completed under this Agreement on an hourly basis, subject to the above hourly rates. All services for an investment analysis or plan design evaluation are not considered as part of services C through F under this Agreement. The investment analysis, plan design evaluation and/or Creation of an Investment Policy Statement (**IPS**) is/are subject to a minimum of 8 hours of **CLIENT**'s primary **ADVISOR**'s time. All staff member's time will be added to this total.

Minimum Fee required to be paid at time of engagement:

**"Retirement Plan Design/Investment Analysis/IPS" Minimum Fee:**

Personal Financial Counselor	<b>\$1,750</b>
Personal Financial Advisor	<b>\$2,050</b>
Senior Financial Advisor	<b>\$2,425</b>
Managing Advisor	<b>\$2,850</b>

**SERVICE G2 - "Pension Plan" Fiduciary Meeting and Monitoring Service (RPSAMS-PEN)**

**"Pension Plan" Set-Up Fee:** **\$2,400**

**"Pension Plan" Monthly Minimum Fee:**

	Individuals	Suggested Minimum Portfolio Size
Personal Financial Counselor	<b>\$525</b>	<b>\$500,000</b>
Personal Financial Advisor	<b>\$775</b>	<b>\$750,000</b>
Senior Financial Advisor	<b>\$1,050</b>	<b>\$1,000,000</b>

The fee schedule below is intended to cover **ADVISOR**'s **PENSION** service. When unusual duties are involved additional charges will apply depending on the additional services (investment holdings related class action law-suit applications, cost basis research, manual entry of historical transaction history, etc.). (For example: After initial set-up, any investment monitored under **PENSION** which requires **ADVISOR** to manually enter transaction data and market values will be subject additional hourly fees to cover the additional time/cost of manual entry.

Market Value of Assets on Pension Plan Fiduciary Meeting and Quarterly Monitoring Service ( <b>PENSION</b> ) Annualized	Pension Plan Fiduciary Meeting and Quarterly Monitoring Service ( <b>PENSION</b> ) Annualized Fee as a Percentage of Assets	Aggregate Amount
First \$ 1,000,000	1.2500 %	\$12,500
Next \$ 1,500,000	1.0000 %	\$29,500
Next \$ 2,500,000	0.7500 %	\$48,250
Next \$ 5,000,000	.5000 %	\$73,250
Over \$10,000,001	.2500 %	

**CLIENT**'s may elect to have VFA's advisory fees deducted from their custodial account. Both VFA's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of VFA's investment advisory fee and to directly remit that management fee to VFA in compliance with regulatory procedures. In the limited event that VFA bills the **CLIENT** directly, payment is due upon receipt of VFA's invoice. VFA shall deduct fees and/or bill **CLIENT**'s monthly in arrears, based upon the market value of the assets on the last business day of the previous month.

As discussed below, unless the **CLIENT** directs otherwise or an individual **CLIENT**'s circumstances require, VFA shall generally recommend that *TD Ameritrade, Schwab, Pershing, LLC and/or Fidelity* serve as the broker-dealer/custodian for **CLIENT** investment management assets. Broker-dealers such as *TD Ameritrade, Schwab, Pershing, LLC and/or Fidelity* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to VFA's investment management fee, brokerage commissions and/or transaction fees, **CLIENT**'s will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

VFA's annual investment advisory fee shall be prorated and paid monthly, in arrears, based upon the market value of the assets on the last business day of the previous month. In addition, VFA generally requires a \$minimum monthly fee for investment advisory services. VFA, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum monthly fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with **CLIENT**, etc.).

The *Investment Advisory Agreement* between VFA and the **CLIENT** will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, a pro-rated portion of the earned but unpaid advisory fee shall be due.

**Compensation for the Sale of Insurance Products.** As stated in the disclosure to Item 10 of this brochure, VFA and certain of its personnel also maintain insurance licenses that enable them to recommend the purchase of certain insurance products where it and/or they will receive a share of insurance revenue. This represents a conflict of interest and gives VFA and such VFA personnel an incentive to recommend the purchase of insurance products for a **CLIENT** account based on VFA and/or VFA's personnel's ability to receive compensation from such a purchase, rather than based on a **CLIENT's** need. However, we believe that we have addressed this conflict by (a) neither requiring nor expecting that a **CLIENT** will purchase any such insurance product from or through VFA or any VFA personnel, and (b) reminding **CLIENT's** that they may purchase such insurance products through other, non-affiliated insurance agents. In addition, VFA and such VFA personnel must maintain compliance with applicable rules and regulations that govern the sale of such products. **CLIENT's** have the option to purchase insurance products recommended by VFA or VFA personnel through other agents that are not affiliated with VFA. VFA's advisory fee is in addition to any compensation VFA and VFA personnel may receive as a result of such insurance-related services and VFA will not reduce its advisory fee to offset such compensation.

#### **Item 6 - Performance-Based Fees and Side-by-Side Management**

Neither VFA nor any supervised person of VFA accepts performance based fees.

#### **Item 7 - Types of CLIENT's**

VFA's **CLIENT's** shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. VFA generally requires a **\$500** minimum monthly fee for investment advisory services. The VFA, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum monthly fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with **CLIENT**, etc.).

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

1. VFA may utilize the following methods of security analysis:
  - a. Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - b. Technical - (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
  - c. Cyclical - (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

VFA may utilize the following investment strategies when implementing investment advice given to **CLIENT's**:

- a. Long Term Purchases (securities held at least a year)
  - b. Short Term Purchases (securities sold within a year)
  - c. Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
  - d. Margin Transactions (use of borrowed assets to purchase financial instruments)
  - e. Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)
  - f. **Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by VFA) will be profitable or equal any specific performance level(s).
2. VFA's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis VFA must have access to current/new market information. VFA has no control over the dissemination rate of market information; therefore, unbeknownst to VFA, certain analyses may be compiled with outdated market information, severely limiting the value of VFA's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

VFA's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, VFA may also implement and/or recommend - short selling, use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk. (*See* discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets. Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a **CLIENT** authorizes the use of margin, and margin is thereafter employed by VFA in the management of the **CLIENT's** investment portfolio, the market value of the **CLIENT's** account and corresponding fee payable by the **CLIENT** to VFA may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, **CLIENT's** authorizing margin are advised of the potential **conflict of interest** whereby the **CLIENT's** decision to employ margin *may* correspondingly increase the management fee payable to the VFA. Accordingly, the decision as to whether to employ margin is left totally to the discretion of **CLIENT**.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller.

Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract.

Generally, the purchase or the recommendation to purchase an option contract by VFA shall be with the intent of offsetting/"hedging" a potential market risk in a **CLIENT's** portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by VFA is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a **CLIENT** must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, **CLIENT** may direct the VFA, in writing, not to employ any or all such strategies for his/her/their/its accounts.

3. Currently, VFA recommends that **CLIENT's** allocate **CLIENT** investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds ("ETFs") (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary and non-discretionary basis in accordance with the **CLIENT's** designated investment objective(s).

As disclosed above, VFA may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a **CLIENT** may direct VFA, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Investing in securities involves a risk of loss that each investor must be prepared to bear.

## Item 9 - Disciplinary Information

VFA has not been the subject of any disciplinary actions.

## Item 10 - Other Financial Industry Activities and Affiliations

1. Neither VFA, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
2. Neither VFA, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading **ADVISOR**, or a representative of the foregoing.
3. **Licensed Insurance Agents.** VFA and certain of VFA's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 5.B above, **CLIENT's** can engage VFA and/or its representatives to purchase insurance products on a commission basis.
  - a. **Conflict of Interest:** The recommendation by VFA or its representatives that a **CLIENT** purchase an insurance commission product presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular **CLIENT's** need. During the last 10 years revenue generated by commissions earned on the sale of insurance products represent less than 2% if the firm's revenue. This reasonably indicates but does not guarantee that insurance sales are more of an accommodation than a primary focus of VFA. No **CLIENT** is under any obligation to purchase any commission products from VFA's representatives. **CLIENT's** are reminded that they may purchase insurance products recommended by VFA through other, non-affiliated insurance agents. **VFA's Chief Compliance Officer, Mark S.**

**La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above conflict of interest.**

4. VFA does not receive, directly or indirectly, compensation from investment **ADVISORS** that it recommends or selects for its **CLIENT's**.

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

1. VFA maintains an investment policy relative to personal securities transactions. This investment policy is part of VFA's overall Code of Ethics, which serves to establish a standard of business conduct for all of VFA's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, VFA also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by VFA or any person associated with the VFA.

2. Neither VFA nor any related person of VFA recommends, buys, or sells for **CLIENT** accounts, securities in which VFA or any related person of VFA has a material financial interest.
3. VFA and/or representatives of VFA *may* buy or sell securities that are also recommended to **CLIENT's**. This practice may create a situation where VFA and/or representatives of VFA are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if VFA did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the VFA's **CLIENT's**) and other potentially abusive practices.

VFA has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the VFA's "Access Persons". The VFA's securities transaction policy requires that an Access Person of VFA must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date VFA selects; provided, however that at any time that VFA has only one Access Person, he or she shall not be required to submit any securities report described above.

4. VFA and/or representatives of VFA *may* buy or sell securities, at or around the same time as those securities are recommended to **CLIENT's**. This practice creates a situation where VFA and/or representatives of VFA are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11-3.

VFA has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of VFA's Access Persons.

#### **Item 12 - Brokerage Practices**

1. In the event that the **CLIENT** requests that VFA recommend a broker dealer/ custodian for execution and/or custodial services (exclusive of those **CLIENT's** that may direct VFA to use a specific broker-dealer/custodian), VFA generally recommends that investment management accounts be maintained at *TD Ameritrade, Schwab, Pershing, LLC and/or Fidelity*. Prior to engaging VFA to provide investment management services, the **CLIENT** will be required to enter into a formal *Investment Advisory Agreement* with VFA setting forth the terms and conditions under which VFA shall manage the **CLIENT's** assets and a separate custodial/clearing agreement with each designated broker dealer/ custodian.
2. Factors that VFA considers in recommending *TD Ameritrade, Schwab, Pershing, LLC and/or Fidelity* (or any other broker-dealer/custodian to **CLIENT's**) include historical relationship with VFA, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by VFA's **CLIENT's** shall comply with the VFA's duty to obtain best execution, a **CLIENT** may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where VFA determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although VFA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for **CLIENT** account transactions. The brokerage commissions or transaction fees charged by the designated broker dealer/ custodian are exclusive of, and in addition to, VFA's investment management fee. The VFA's best execution responsibility is qualified if securities that it purchases for **CLIENT** accounts are mutual funds that trade at net asset value as determined at the daily market close.

a. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a **CLIENT** utilize the services of a particular broker-dealer/custodian, VFA may receive from *TD Ameritrade, Schwab, Pershing, LLC and/or Fidelity* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist VFA to better monitor and service **CLIENT** accounts maintained at such institutions. Included within the support services that may be obtained by VFA may be investment-related research, pricing information and market data, software and other technology that provide access to **CLIENT** account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by VFA in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist VFA in managing and administering **CLIENT** accounts. Others do not directly provide such assistance, but rather assist VFA to manage and further develop its business enterprise.

VFA's **CLIENT**'s do not pay more for investment transactions effected and/or assets maintained at *TD Ameritrade, Schwab, Pershing, LLC and/or Fidelity* as a result of this arrangement. There is no corresponding commitment made by VFA to *TD Ameritrade, Schwab, Pershing, LLC and/or Fidelity* or any other entity to invest any specific amount or percentage of **CLIENT** assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**VFA's Chief Compliance Officer, Mark S. La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

b. VFA does not receive referrals from broker-dealers.

c. VFA does not generally accept directed brokerage arrangements (when a **CLIENT** requires that account transactions be effected through a specific broker-dealer). In such **CLIENT** directed arrangements, the **CLIENT** will negotiate terms and arrangements for their account with that broker-dealer, and VFA will not seek better execution services or prices from other broker-dealers or be able to "batch" the **CLIENT**'s transactions for execution through other broker-dealers with orders for other accounts managed by VFA. As a result, **CLIENT** may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the **CLIENT** directs VFA to effect securities transactions for the **CLIENT**'s accounts through a specific broker-dealer, the **CLIENT** correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the **CLIENT** determined to effect account transactions through alternative clearing arrangements that may be available through VFA.

**VFA's Chief Compliance Officer, Mark S. La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above arrangement.**

3. To the extent that VFA provides investment management services to its **CLIENT**'s, the transactions for each **CLIENT** account generally will be effected independently, unless VFA decides to purchase or sell the same securities for several **CLIENT**'s at approximately the same time. VFA will generally (but is not obligated to) aggregate orders where it determines that such aggregation will result in obtaining best execution, to negotiate more favorable commission rates or to allocate equitably among the VFA's **CLIENT**'s differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among **CLIENT**'s in proportion to the purchase and sale orders placed for each **CLIENT** account on any given day. VFA shall not receive any additional compensation or remuneration as a result of such aggregation. Where VFA has the opportunity to aggregate orders but elects not to do so, the **CLIENT** may incur higher costs of execution.

### **Item 13 - Review of Accounts**

1. For those **CLIENT**'s to whom VFA provides investment supervisory services, account reviews are conducted on an ongoing basis by the VFA's Principals and/or representatives. All investment supervisory **CLIENT**'s are advised that it remains their responsibility to advise VFA of any changes in their investment objectives and/or financial situation. All **CLIENT**'s (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with VFA on an annual basis.
2. VFA *may* conduct account reviews on another than periodic basis upon the occurrence of a triggering event, such as a change in **CLIENT** investment objectives and/or financial situation, market corrections and **CLIENT** request.
3. **CLIENT**'s are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the **CLIENT** accounts. VFA may also provide a written periodic report summarizing account activity and performance.

#### **Item 14 - CLIENT Referrals and Other Compensation**

1. As referenced in Item 12.A.1 above, VFA may receive an indirect economic benefit from *Schwab* and/or *Ameritrade*. The VFA, without cost (and/or at a discount), may receive support services and/or products from *Schwab* and/or *Ameritrade*.

VFA's **CLIENT's** do not pay more for investment transactions effected and/or assets maintained at *TD Ameritrade, Schwab, Pershing, LLC and/or Fidelity* a result of this arrangement. There is no corresponding commitment made by VFA to *TD Ameritrade, Schwab, Pershing, LLC and/or Fidelity* or any other entity to invest any specific amount or percentage of **CLIENT** assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**VFA's Chief Compliance Officer, Mark S. La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

2. VFA does not compensate, directly or indirectly, any person, other than its representatives, for **CLIENT** referrals.

#### **Item 15 - Custody**

VFA shall have the ability to have its advisory fee for each **CLIENT** debited by the custodian on a quarterly basis. **CLIENT's** are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the **CLIENT** accounts. VFA may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that VFA provides **CLIENT's** with periodic account statements or reports, the **CLIENT** is urged to compare any statement or report provided by VFA with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the VFA's advisory fee calculation.

#### **Item 16 - Investment Discretion**

VFA does not manage **CLIENT** assets on a discretionary basis.

#### **Item 17 - Voting CLIENT Securities**

1. VFA does not vote **CLIENT** proxies. **CLIENT's** maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the **CLIENT** shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the **CLIENT's** investment assets.
2. **CLIENT's** will receive their proxies or other solicitations directly from their custodian. **CLIENT's** may contact VFA to discuss any questions they may have with a particular solicitation.

#### **Item 18 - Financial Information**

1. VFA does not solicit fees of more than **\$500.00** per **CLIENT**, six months or more in advance.
2. VFA does not manage **CLIENT** assets on a discretionary basis.
3. VFA has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The VFA's Chief Compliance Officer, Mark S. La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above disclosures and arrangements.**