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## **Form ADV Part 2A – Disclosure Brochure**

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**Effective: June 2015**

This Disclosure Brochure provides information about the qualifications and business practices of Talis Advisory Services, LLC , which also uses Talis Advisors as a business name (“Talis”). If you have any questions about the contents of this Disclosure Brochure, please contact us at 972-378-1795 or by email at [info@talisadvisors.com](mailto:info@talisadvisors.com).

Talis is a Registered Investment Advisor with the United States Security and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an Investment Advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Talis to assist you in determining whether to retain the Advisor.

Additional information about Talis and its advisory persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Talis Advisory Services, LLC**  
**CRD Number: 135145**  
**6205 Chapel Hill Boulevard, Suite 400**  
**Plano, Texas 75093**  
**Phone: 972-378-1795 Fax: 214-291-5236**  
**[www.talisadvisors.com](http://www.talisadvisors.com)**



Dear Valued Client:

We appreciate the opportunity to work together with you in achieving your goals. By combining a consultative approach with clear and objective recommendations, we create a strategy that allows clients to feel confident in navigating financial challenges.



We know that each client has unique needs and that this requires a customized, thorough and disciplined approach to meeting objectives. Our collaborative solutions are structured and centered around our clients' goals to help them stay on track. We believe in building trust through an open dialogue that educates and helps "filter out the noise."

The following Form ADV Part 2A Disclosure Brochure provides important information about the services that we offer and how we receive compensation for our services. As an independent, fee-only advisory firm, we believe that our transparent structure ensures that our interests are aligned with those of our clients. Ultimately, we hope that our clients take comfort in working with an experienced, determined team in order to achieve their goals.

If you have any questions regarding the information in this Disclosure Brochure, please discuss them with your advisor or contact either of us directly at 972-378-1795. Again, thank you for the confidence that you place in our firm.

Best Regards,

A handwritten signature in blue ink, appearing to read 'J. Everett'.

Jeffrey B. Everett  
Chief Investment Officer

A handwritten signature in blue ink, appearing to read 'R. Lamse'.

Robert J. Lamse  
President

## **Item 2 – Material Changes**

Form ADV Part 2 is divided into two parts: Part 2A and Part 2B. Part 2A (the “Disclosure Brochure”) provides information about a variety of topics related to an Advisor’s business practices and conflicts of interest. Part 2B (the “Brochure Supplement”) provides information about Advisory personnel of Talis.

Transparency is the foundation of our relationship with our Clients and we continually strive to provide complete and accurate information. We encourage all current and prospective Clients to carefully read this Disclosure Brochure and to review it annually *even if there have been no “Material Changes” to the brochure*. Please discuss any questions that you may have with us.

From time-to-time, we may amend this brochure to reflect changes to our business practices, changes in regulations and routine annual updates as required by securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and will also be provided if a material change occurs in the business practices of Talis.

**There have been no material changes to our Disclosure Brochure since its last annual update in March 2014.**

In addition, and at any time, you may view the current Disclosure Brochure online at the SEC’s Investment Advisory Public Disclosure website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information for Talis:

1. Click on Investment Advisor Search in the left navigation pane.
2. Select the option for Investment Advisor Firm and enter our CRD number 135145 in the field labeled “Firm IARD/CRD Number”.
3. You will have accessed Form ADV Part 1 and Part 2.
4. It is important to note that Item 11 of Form ADV Part 1 lists legal and disciplinary questions and responses regarding Talis.
5. In the left navigation pane, Form ADV Part 2 is located near the bottom.

You may request a copy of this Disclosure Brochure at any time by contacting us at the telephone number on the cover page of this brochure or by email at [info@talisadvisors.com](mailto:info@talisadvisors.com).

### **Item 3 – Table of Contents**

Item 2 – Material Changes.....	2
Item 3 – Table of Contents .....	3
Item 4 – Advisory Services .....	5
Firm Information .....	5
Advisory Services .....	5
Client Account Management.....	5
Wrap Fee Programs .....	6
Assets Under Management.....	6
Item 5 – Fees and Compensation .....	6
Advisory Service Fees .....	6
Financial Planning Fees .....	7
Consulting Services Fees .....	7
Deduction of Fees.....	7
Additional Fees and Expenses .....	7
ERISA Accounts.....	8
Limited Prepayment of Fees .....	8
Additional Compensation .....	8
Comparable Services.....	9
Item 6 – Performance-Based Fees and Side-By-Side Management .....	9
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Methods of Analysis.....	10
Investment Strategies .....	11
Risk of Loss .....	12
Item 9 – Disciplinary Information .....	13
Item 10 – Other Financial Industry Activities and Affiliations.....	13
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading.....	14
Code of Ethics .....	14
Personal Trading With Material Interest.....	15
Personal Trading in Same Securities as Clients .....	15

Personal Trading at Same Time as Clients .....	15
Item 12 – Brokerage Practices .....	16
Recommendation of Custodian(s) .....	16
Research and Other Soft Dollar Benefits .....	16
Brokerage for Client Referrals .....	17
Directed Brokerage.....	17
Aggregating and Allocating Trades .....	17
Item 13 – Review of Accounts .....	18
Frequency of Reviews.....	18
Causes for Reviews.....	18
Review Reports .....	18
Item 14 – Client Referrals and Other Compensation .....	18
Compensation Received by Talis .....	18
Client Referrals from Solicitors .....	18
Item 15 – Custody .....	19
Item 16 – Investment Discretion .....	19
Item 17 – Voting Client Securities .....	20
Item 18 – Financial Information .....	20
Additional Information – Privacy Policy .....	20
Additional Information – Litigation and Settlements .....	21

## **Item 4 – Advisory Services**

### **Firm Information**

Talis Advisory Services, LLC (“Talis” or the “Advisor”) is a Registered Investment Advisor with the United States Securities and Exchange Commission (“SEC”) based in Plano, Texas. The firm is organized as a Limited Liability Company under the laws of the State of Texas and was founded in May 2005. The firm is owned by Jennifer L. Perkins, John G. Jones, Robert J. Lamse and Jeffrey B. Everett. This Disclosure Brochure provides information regarding the qualifications, business practice and Advisory services provided by Talis. As used in this brochure, the words “we”, “our”, and “us” refer to Talis and the words “you”, “your” and “Client” refer to you as either a Client or a prospective Client of our firm.

### **Advisory Services**

Talis offers Advisory services to individuals, high net worth individuals, trusts, foundations, estates, business entities, qualified retirement plan sponsors and charitable organizations in Texas and other states (each referred to as a “Client”). We use a multi-disciplinary team approach to address your financial, tax, estate and/or risk management needs. Our team includes a Certified Public Accountant (CPA) and American Institute of Certified Public Accountants (AICPA) certified Personal Financial Specialist (PFS) and five Advisors that hold the Certified Financial Planner® (CFP®) designation. With your consent, we may consult with your other professional advisors as planning recommendations are formulated and/or implemented. Talis also provides expert witness services including counsel on areas of concern such as fiduciary duty and due diligence processes.

### **Client Account Management**

We tailor our services to the individual needs of Clients and may allow Clients to impose restrictions on investing in certain securities or types of securities.

Talis may provide financial planning services to individuals and families as part of its investment Advisory services. Generally, this involves preparing a financial plan based on the Client’s financial goals and objectives. The plan may address several areas of need, including, but not limited to investment planning, retirement planning, savings and other areas of a Client’s financial situation. Talis may also refer Clients to an accountant, attorney or other specialist, as appropriate to the Client’s situation.

Prior to engaging Talis to provide investment Advisory services, each Client is required to enter into an Investment Advisory Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and Client.

Talis provides ongoing advice to Clients regarding the investment of assets based on their particular needs. Through discussion of a Client’s personal circumstances, goals and objectives are established and a personalized Investment Policy Statement (IPS) is created. We then manage the portfolio on a discretionary basis guided by the IPS. Talis will typically develop a strategic asset allocation that is targeted to meet the investment objectives, time

horizon, financial situation and risk tolerance for each Client and document the recommended allocation in the IPS. Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. We generally recommend institutional-class mutual funds with low expense ratios and internal transaction costs. Our strategy is primarily long-term, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. Talis evaluates and selects assets for inclusion in Client portfolios only after applying its internal due diligence process.

#### **Wrap Fee Programs**

Talis does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Talis.

#### **Assets Under Management**

As of December 31, 2014, Talis manages a total of \$172,506,348 with \$160,742,811 managed on a discretionary basis and \$11,763,537 managed on a non-discretionary basis.

### **Item 5 – Fees and Compensation**

#### **Advisory Service Fees**

We charge investment Advisory fees for our services based on the fee schedule that is included in each Client's Advisory contract. The standard fee schedule is as follows:

- For portfolios under \$250,000.00, the annual fee is 1.00%.
- For portfolios between \$250,000.00 and \$999,999.99, the annual fee is 0.70%.
- For portfolios between \$1,000,000.00 and \$2,499,999.99, the annual fee is 0.50%.
- For portfolios between \$2,500,000.00 and \$4,999,999.00, the annual fee is 0.45%.
- For portfolios between \$5,000,000.00 and \$9,999,999.99, the annual fee is 0.40%.

Advisory fees for larger portfolios are negotiated. The standard fee schedule is also negotiable based upon business considerations. In some cases, we may adjust our fee schedule to conform to the fee charged by a Client's previous advisor and may include additional services (such as financial planning) as part of the overall fee arrangement. In no case does the highest fee exceed 1.00%.

We use a separate fee schedule for pension plans, including defined contribution plans such as 401(k) plans. The annual fee is:

- 1.00% of the first \$500,000.00 of plan assets,
- 0.85% of the next \$1,500,000.00 of plan assets,
- 0.75% of the next \$2,000,000.00 of plan assets,
- 0.60% of the next \$6,000,000.00 of plan assets, and
- 0.50% of plan assets above \$10,000,000.00.

Advisory fees are typically charged quarterly in arrears at the end of each calendar quarter (March 31, June 30, September 30, and December 31) and are based on account values as of that day. In some cases and for certain Clients, advisory fees may be charged in advance, as specified in the Client's advisory contract. Advisory fees charged in advance are prorated based on the date the Client's portfolio is implemented and are based on account values as of the end of the preceding calendar quarter, as described above. Advisory fees charged in advance may be prorated and refunded upon written request by the Client when an advisory relationship is terminated.

### **Financial Planning Fees**

You may also choose to engage us to provide financial planning services. Financial planning services are typically separate from our asset-based fee for portfolio management. Financial planning services are performed on an hourly basis at rates that vary from \$175 to \$250 per hour or for a negotiated fixed amount. Financial planning fees may also be incorporated into the advisory fee as part of an overall fee arrangement.

### **Consulting Services Fees**

Our fee for expert witness consulting services is \$500 per hour.

### **Deduction of Fees**

Clients may choose to have advisory fees deducted from their accounts through the qualified custodian or to be billed. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Clients that choose to have fees deducted from their accounts will receive a statement from the qualified custodian that shows the fee deduction transaction. The qualified custodian will deliver an account statement to you at least quarterly. Clients that choose to be billed will receive a quarterly invoice.

The majority of our Clients pay Talis fees based upon a percentage of the assets we advise upon. This is a common form of compensation for registered investment Advisory firms and avoids the multiple inherent conflicts of interest associated with commission-based compensation. However, this method of compensation can still lead to conflicts of interest between our firm and our Client as to the advice we provide. For example, conflicts of interest may arise relating to the following financial decisions: incur or pay down debt; gift funds to charities or to individuals; purchases of a home or cars or other non-investment assets; the purchase of an annuity; expenditures of funds for travel or other activities; investment in private equity investments (private real estate ventures, closely held businesses, etc.), and the amount of funds to place in cash reserve accounts.

### **Additional Fees and Expenses**

All fees paid to Talis for investment advisory and financial planning services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. Mutual fund expenses are described in each fund's prospectus. These expenses will generally include a management fee, other fund expenses, and possibly a distribution fee. In addition, mutual



funds incur transaction costs and opportunity costs, which are not disclosed in the fund's prospectus or statement of additional information.

Clients will incur transaction fees or commissions in connection with trading of mutual funds, exchange traded funds and/or individual stocks and bonds (and/or principal mark-ups and mark-downs for principal trades), which are charged by the custodian (the brokerage firm holding the Client's assets for safekeeping). Mutual fund transaction fees charged by our recommended custodians, TD Ameritrade Institutional and Schwab Institutional, vary from \$17.99 to \$25.00 for each purchase or sale transaction. The transaction costs for stock and bond trades vary. We do not share in any portion of the transaction fees or commissions charged by the custodian. Accordingly, the Client should review the fees charged by the mutual funds (including transaction and opportunity costs within funds which are not included in a fund's annual expense ratio), the transaction fees charged by the custodian, as well as the fees charged by Talis, to fully understand the total amount of fees and costs paid by the Client in connection with any recommended transaction. For a discussion of our practice in recommending brokers (custodians) to our Clients and negotiating brokerage fees on their behalf, please see the *Brokerage Practices* section of this brochure.

#### **ERISA Accounts**

Talis is deemed to be a fiduciary to advisory Clients that are employee benefit plans or individual retirement accounts pursuant to the Employee Retirement Income Security Act ("ERISA") and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, we are subject to specific duties and obligations under ERISA and the Code that include restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Talis may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees. For the purposes of ERISA § 3(38), Talis serves as the investment manager and exercises discretionary authority with regard to the model portfolios it develops and with regard to the mutual funds or other investment vehicles that it selects as investment options for employee benefit plans.

#### **Limited Prepayment of Fees**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

#### **Additional Compensation**

Persons providing investment advice on behalf of our firm may be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. These persons may also receive incentive awards, merchandise or trips, and insurance company stock or stock options based on sales activities for insurance products. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents may have an incentive to recommend insurance products to you for the purpose of generating

commissions and/or receiving incentive awards rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm. We have adopted internal policies to properly manage these and other potential conflicts of interest. Our goal is that our advice to you remains at all times in your best interest, disregarding any impact of the decision upon our firm or any individual.

### **Comparable Services**

Talis believes that the charges and fees offered within its program are competitive with alternative programs available through other firms offering a similar range of services; however, lower fees for comparable services may be available from other sources. A Client could invest in mutual funds directly, without the services of Talis. In such a case, the Client would not receive the services provided by Talis. These services are designed, among other things, to assist the Client in determining which mutual fund or funds are most appropriate to each Client's financial condition and objectives, undertake a disciplined approach to portfolio rebalancing while taking into account the tax ramifications of same, and to avoid *ad hoc* emotional reactions to short-term market events.

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

Talis does not charge performance-based fees and does not participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a Client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your Advisory account.

### **Item 7 – Types of Clients**

Talis provides Advisory services to the following types of Clients:

- High net worth individuals
- Individuals (other than high net worth individuals)
- Pension and profit sharing plans (other than plan participants)
- Trusts
- Foundations
- Business entities (corporations, limited liability companies, etc)

In general, we require \$250,000.00 as a condition for opening an account. Clients may aggregate assets in multiple accounts in order to meet the minimum requirement. There is no minimum requirement for maintaining an account. We may choose to make exceptions to the minimum amount required to open an account when business conditions warrant.

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

### **Methods of Analysis**

Our Investment Committee establishes the overall investment strategies employed by the firm, reviews the brokerage firms we recommend to our Clients, and approves of particular investments which may be used by investment Advisor representatives of our firm. The Investment Committee includes Jeffrey B. Everett (Chief Investment Officer), Robert J. Lamse (President) and Stephen T. Hart (Wealth Strategies Analyst). We believe that diversification is key to controlling risk, that risk and return are related and that asset allocation is the primary determinant of a portfolio's risk and expected return. Our equity allocation is globally diversified, minimizing concentrations in any one company, industry or asset class. In general, our fixed income allocation is composed of high quality, short-term debt instruments to minimize interest rate and default risk. We believe that investors are better rewarded for taking risks in equities than in fixed income and that the purpose of the fixed income allocation in the portfolio is to reduce risk.

Multiple risk factor premiums have been shown by academic studies to produce returns, including:

- Equity risk (stocks have a higher expected return than bonds)
- Relative value risk (value stocks have a higher expected rate of return)
- Size risk (small-cap stocks have a higher expected rate of return)
- Momentum (stocks that are performing well tend to continue to do so for a period of time)
- Profitability (more profitable companies have a higher expected rate of return)

We use institutional share class mutual funds to capture these risk premiums with low transaction costs and minimal turnover. Since the asset allocation decision is the primary determinant of a portfolio's risk and expected return, we periodically rebalance Client portfolios to the target asset allocation defined in the Client's Investment Policy Statement. The IPS also outlines tolerance levels for individual asset classes and groups of asset classes that are taken into consideration when determining the necessity for rebalancing. Rebalancing decisions may also be subject to variances based on tax reduction, tax planning, reduction of transaction fees or other reasons. Asset allocation decisions are not made in an attempt to time markets or react to short-term volatility. Allocation changes will occur to improve diversification and/or the risk/return relationship or to adjust to changes in the Client's goals or circumstances.

Rather than focusing primarily on security selection, we attempt to identify an appropriate ratio of equity, fixed income, and alternative investments that is suitable to the Client's investment goals and risk tolerance.

## **Investment Strategies**

In designing investment plans for Clients, Talis relies upon the information supplied by the Client and, in some instances, the Client's other professional advisors. Such information may pertain to the Client's financial situation, estate planning, tax planning, risk management planning, short-term and long-term lifetime financial goals and objectives, investment time horizon, and perceived current tolerance for risk. This information becomes the basis for the strategic asset allocation plan which we believe will best meet the Client's stated long term personal financial goals. The strategic asset allocation provides for investments in those asset classes which Talis believes (based on historical data and our proprietary analysis) will possess attractive combinations of return, risk, and correlation over the long-term.

The investment advice that Talis provides is based upon long-term investment strategies including the principles of Modern Portfolio Theory. The use of several different asset classes as part of an investor's portfolio is emphasized, as this has been shown to reduce portfolio volatility (*i.e.*, the standard deviation of the portfolio returns) over long periods of time. Talis allocates and diversifies the Client's portfolio among various asset classes and among individual investments, following the investment policy agreed to by the Client.

Our investment approach is firmly rooted in the belief that markets are efficient and that investors' gross returns are determined principally by asset allocation decisions. A focus is provided on developing and implementing globally diversified portfolios, principally through the use of low-cost and tax-efficient passively managed stock mutual funds that are generally available only to institutional investors and Clients of Advisors granted access to such funds. Investment policy and overall portfolio weightings between equities and fixed income investments are based upon each Client's needs and desires, perceived risk tolerance, the need to assume various risks and investment time horizon. The portfolios of Clients may then follow models designed by Talis to fit the overall weightings of equities (stocks, stock mutual funds, etc.) and fixed income investments (bond funds, CDs, etc.) in an investor's portfolio. For other Clients, the investment portfolio's strategic asset class allocation is customized to meet the specific circumstances of the Client, the presence of investments in 401(k) or other accounts, as well as a perception of the Client's understanding of the fundamental forces affecting risk and return in the capital markets.

Insurance products such as annuities and various types of life insurance products may also be evaluated. Recommendations may be made to Clients to invest in low-cost, no-load (no commission) variable annuities when appropriate to the circumstances and tax situation of the Client. This occurs when a Client possesses an existing high-cost variable annuity, and an exchange of the annuity is indicated rather than redemption for tax planning purposes, in order to seek to lower the total fees and costs paid by the Client and/or provide different investment choices.

At times, Clients may be advised to retain an existing annuity, previously purchased by the Client, or undertake partial or full surrenders of same (and/or tax-free exchanges), following an evaluation of the annuity contract, riders thereto, investment alternatives within the annuity and their fees and costs, including any surrender fees which may be imposed by the insurance company.

Cash in Clients' investment accounts is typically swept into the bank or money market accounts of the custodians. Small cash amounts may be maintained in order to facilitate payment of Advisory fees, which may have the effect of slightly reducing the portfolio's returns in periods when overall positive returns occur in the portfolio in excess of the interest rate paid on cash or cash equivalent deposits. While it is not the practice to encourage Clients to maintain a large amount of cash in their accounts, such may be undertaken at the request of the Client.

### **Risk of Loss**

Investing in securities involves certain risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Talis assists Clients in determining an appropriate strategy based on their tolerance for risk and other factors. However, there is no guarantee that a Client will meet their investment goals. Past performance is not a guarantee of future returns.

Modern Portfolio Theory and the multifactor model provide a framework for capturing market returns and risk premiums, but do not guarantee that an investment will not lose value. The Advisor relies on financial and other information provided by the Client or their designee(s) without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or any other factors that may affect the appropriate level of risk exposure in the Client's portfolio. Clients are reminded to discuss these risks with the Advisor.

Investments can generate taxable events by virtue of the income they produce, capital gains they generate and distributions they make. Taxable events can and will occur, and clients are solely responsible for any resulting tax liabilities. Talis encourages all clients to consult with their tax professionals regarding transactions. The custodian is responsible for all cost basis reporting and tracking, including realized capital gain and loss reporting. Talis may receive cost basis information from the client or the client's allied professionals, and provide such information to the custodian. Talis is not responsible for verifying the accuracy of such data, nor the corresponding tax impacts of any errors in data received. The default cost basis election for all client accounts is first-in, first-out (FIFO). If an alternate cost basis election is preferred, Client must inform Talis at the time the custodial account is established. Once the account is established, the cost basis election for tracking capital gains cannot be changed.

### **Item 9 – Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of our Advisory business or the integrity of our management.

There are no legal, regulatory or disciplinary events involving Talis or any of its employees or management personnel to disclose.

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

David H. Smith is a Senior Partner of Jones Square Financial Services, LLC ("Jones Square"), a diversified financial services company. Michael W. Perkins is the Secretary/CFO of Jones Square. David H. Smith provides financial planning services to our Clients through Jones Square. David H. Smith is also a Registered Investment Advisor Representative for Talis. Jones Square may also provide accounting, tax preparation and bookkeeping services to Talis Clients. However, no Client is obligated to use any of Jones Square's services and Talis does not receive compensation from Jones Square for Client referrals and suitable financial planning, accounting, tax preparation and bookkeeping services may be available from other companies.

Robert J. Lamse, David J. Fida and E. Paxton Kelso are licensed as General Lines Agents for life, accident, and health insurance and may transact insurance business through Talis Financial Services, LLC, an insurance agency. Robert J. Lamse is the President and a Managing Member of Talis Financial Services, LLC. Michael W. Perkins is the Secretary/CFO of Talis Financial Services, LLC. Jeffrey B. Everett is a Managing Member of Talis Financial Services, LLC. Our Clients may also be Clients of Talis Financial Services, LLC. However, no Clients are obligated to use any service or purchase any product from Talis Financial Services, LLC and suitable insurance products may be available from other companies.

Michael W. Perkins is the CFO of Kinsman Ventures, LLC. Kinsman Ventures is a real estate developer and provides property management/leasing of properties. Kinsman Ventures, LLC is the general partner/manager of individual partnerships that own real estate assets. Our Clients may also be Clients of Kinsman Ventures, LLC. However, no Clients are obligated to be a Client of Kinsman Ventures, LLC and Talis does not receive compensation from Kinsman Ventures, LLC for Client referrals and suitable services may be available from other companies.

Michael W. Perkins is the CFO of Kinsman Equity Partners, LLC. Kinsman Equity Partners is a real estate developer and provides property management/leasing of properties. Kinsman Equity Partners, LLC is the general partner/manager of individual partnerships or limited liability companies that own real estate assets. Our Clients may also be Clients of Kinsman Equity Partners, LLC. However, no Clients are obligated to be a Client of Kinsman Equity Partners, LLC and Talis does not receive compensation from Kinsman Equity Partners, LLC for Client referrals and suitable services may be available from other companies.

John G. Jones is the Principal and Michael W. Perkins is the Secretary/CFO of Kinsman Realty Advisors, LLC. Kinsman Realty Advisors, LLC provides property brokerage services and property management for commercial and residential real estate. Kinsman Realty Advisors, LLC transacts business through KW Commercial, the commercial real estate division of Keller Williams Realty. Our Clients may also be Clients of Kinsman Realty Advisors, LLC. However, no Clients are obligated use Kinsman Realty Advisors, LLC and Talis Advisors does not receive compensation from Kinsman Realty Advisors, LLC for Client referrals and suitable services may be available from other companies.

Paul R. Streiber is a Registered Investment Advisor Representative and Financial Planner for Heritage Financial Planning and a member of Roos Bros., LLC, a firm that provides fee-only financial planning.

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

### **Code of Ethics**

Pursuant to SEC rule 204A-1, Talis has adopted a detailed Code of Ethics expressing the firm's commitment to ethical conduct, which is used to guide the personal conduct of our various team members. This detailed Code of Ethics describes the firm's fiduciary duties and responsibilities to Clients and sets forth our practices of supervising the personal securities transactions of employees with prior or concurrent access to Client trade information. Talis will provide a complete copy of the Code of Ethics to any Client or prospective Client upon request.

Talis seeks to avoid material conflicts of interest. Accordingly, neither Talis nor its investment Advisor representatives, nor its team members receive any third party direct monetary compensation (*i.e.*, commissions, 12b-1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies. However, some additional services and non-direct monetary or other forms of compensation are offered and provided to Talis as a result of its relationships with custodian(s) and/or providers of mutual fund products. For example, our investment Advisor representatives and employees may be invited to attend educational conferences and/or entertainment events sponsored by such brokerage firms or custodians or mutual fund companies. Other services may be provided as outlined below (see Item 12). Talis believes that the services and benefits actually provided to it by brokerage firms (custodians) and mutual fund providers do not materially affect the investment management recommendations



made to its Clients. However, in the interest of full disclosure of any potential conflicts of interest, we discuss the possible conflicts herein. Although Talis believes that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate, or at least minimize, potential material conflicts of interest, and to manage appropriately any material conflicts of interest that may remain, Clients should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest.

#### **Personal Trading With Material Interest**

Talis and its related persons, as a matter of policy, do not recommend to Clients, or buy or sell for Client accounts, securities in which the firm or its related persons have a material financial interest.

#### **Personal Trading in Same Securities as Clients**

Our Code of Ethics provides that individuals associated with our firm may buy or sell securities for their personal accounts identical or different than those recommended to Clients. However, it is the expressed policy of our firm that no person employed by the firm shall prefer his or her own interest to that of an Advisory Client nor make personal investment decisions based on investment decisions of Advisory Clients.

To supervise compliance with the Code of Ethics, our firm requires that anyone associated with this Advisory practice and who possesses access to Advisory recommendations (before or at the time they are entered into) (“access persons”) to provide annual securities holding reports and quarterly transaction reports to our Chief Compliance Officer. We also require access persons to receive advance approval from the Chief Compliance Officer prior to investing in any initial public offerings or private placements and with regard to trading of certain individual securities.

The Code of Ethics further includes our firm’s policy prohibiting the use of material non-public information and protecting the confidentiality of Client information. We require that all individuals must act in accordance with all applicable federal and state regulations governing registered investment Advisory practices. Any individual not in observance of the above may be subject to discipline.

#### **Personal Trading at Same Time as Clients**

Talis, its managers, and/or its employees may buy or sell the same securities that are bought or sold in Client accounts at or around the same time. In all such cases, recommendations are made with the best interest of the Client being the foremost concern. At no time would the combined Client and Advisor transaction have a noticeable effect on the market.



## **Item 12 – Brokerage Practices**

### **Recommendation of Custodian(s)**

Talis does not have discretionary authority to select the broker-dealer/custodian. The Client will select the broker-dealer or custodian (herein the “custodian”) to safeguard Client assets and authorize Talis to direct trades to this custodian as agreed in the Investment Advisory Contract. Further, Talis does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis. Where Talis does not exercise discretion over the selection of the custodian, it may recommend the custodian(s) to Clients.

### **Research and Other Soft Dollar Benefits**

Talis participates in the Advisory services program (ASP) of TD Ameritrade Institutional and Schwab Institutional. While there is no direct linkage between the investment advice given and participation in the ASPs, economic benefits are received which would not be received if Talis did not give investment advice to Clients. The benefits provided by TD Ameritrade and Schwab include assistance with practice management and assistance with the management of Client accounts, including but not limited to: (a) receipt of duplicate Client confirmations; (b) receipt of electronic duplicate statements; (c) access to a trading desk serving investment Advisor firm participants exclusively, and providing research, pricing information, and other market data; (d) access to the investment Advisor portion of their web sites which includes practice management articles, compliance updates, and other financial planning related information and research materials; (e) access to other vendors (such as insurance or compliance providers, or providers of research or other materials) on a discounted fee basis through discounts arranged by the custodians; (f) permitting Talis to access an electronic communication network for Client order entry and to access Clients’ account information and which may otherwise assist Talis with its back-office functions, including recordkeeping and Client reporting; and (g) conferences at which Advisors and employees of our firms may attend (with no registration fees) and receive education on issues such as practice management, marketing, investment theory, financial planning, business succession, regulatory compliance, and information technology.

Participation in the ASPs also provides access to certain mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors, such as the mutual funds of Dimensional Fund Advisors, AQR Capital Management and Goldman Sachs. The benefits received through participation in the ASPs may depend upon the amount of transactions directed to, or amount of assets placed in custody with, TD Ameritrade Institutional or Schwab Institutional. Generally, these services may be used to service all or a substantial number of our Clients’ accounts. Educational, research, or other services provided by custodians or mutual fund companies may benefit all of Talis’ Clients, or may benefit only some Clients.

### **Brokerage for Client Referrals**

Talis does not participate in referral programs that may be offered by custodians.

### **Directed Brokerage**

Talis utilizes the services of TD Ameritrade Institutional and Schwab Institutional. Each custodian provides our team members with access to institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment Advisors on an unsolicited basis and at no charge to them. However, not all independent investment Advisors recommend that their Clients use particular custodians.

While, as a fiduciary, Talis endeavors to act in its Clients' best interests, our desire that Clients maintain much of their assets in accounts at TD Ameritrade Institutional or Schwab Institutional may be based in part on the benefit to our firm of the availability of some products and services (previously described) at no cost to us, or at reduced costs, and not solely on the nature, cost, or quality of custody and brokerage services provided by the brokers, and this may create a potential conflict of interest. Talis' Clients may, therefore, pay higher transaction fees, commissions (for individual stock and ETF trades), and principal mark-ups and mark-downs (relating to purchases and sales on a principal, as opposed to an agency, basis), than those charged by other discount brokers. However, we have negotiated fees with the custodians we recommend, and we have selected these custodians for their generally low fees relative to other large custodians. We prefer to recommend custodians that possess significant size and financial resources for purposes of enhanced safety of Clients' funds. For all of these reasons, the lowest cost custodian for Clients may not be recommended to Clients.

### **Aggregating and Allocating Trades**

Talis has chosen not to aggregate (combine for purposes of securing reduced commissions or transaction fees) the trades of its Clients. Not all Client trade decisions are made at the same time and all trade decisions in taxable accounts are reviewed for near-term and long-term tax efficiency, which requires individual analysis of most trading decisions. This individual analysis of trades does not lend itself to computer software programs nor manual entry processes which would aggregate trades. As a result, our Clients do not receive the benefits of reduced transaction fees such aggregation of trades could provide to our Clients. However, our Clients may receive benefits from enhanced tax-efficient portfolio management, which Clients of other investment Advisors may not be receiving.

## **Item 13 – Review of Accounts**

### **Frequency of Reviews**

Client accounts are monitored on an ongoing basis by the investment advisor representative that is assigned to work with the specific Client. Account reviews are held periodically as agreed between you and your representative to ensure that the advisory services provided to you and/or the portfolio asset allocation are consistent with your stated investment goals and objectives. The review process includes a comparison of the recommended asset allocation to the actual asset allocation and evaluating the need for rebalancing.

### **Causes for Reviews**

Additional reviews may be triggered by client request, deposit or withdrawal of client funds, year-end tax planning, or a change in the client's stated goals or objectives.

### **Review Reports**

Clients typically receive account statements from their custodian on a monthly basis, and never less frequently than quarterly. These statements are sent directly from the custodian to the Client. The Client may also establish online access to the custodian's website so that the Client may view these reports and their account activity. Client statements provided by the custodian will include all positions, transactions and fees related to Client's account(s). From time-to-time and when requested, the Advisor may also provide Clients with reports regarding their holdings, allocations and performance.

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

### **Compensation Received by Talis**

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits that we may receive from our relationships with qualified custodians or mutual funds.

Persons providing investment advice on behalf of our firm may be licensed insurance agents. For information on the conflicts of interest that this presents, and how we address these conflicts, please refer to the *Fees and Compensation* section above.

### **Client Referrals from Solicitors**

Talis directly compensates solicitors for client referrals. Solicitors perform responsibilities per written agreements in accordance with the instructions of Talis and the Investment Advisers Act of 1940, as amended, and rules thereunder, including SEC rule 206(4)-2 and/or any applicable state law. In its solicitation of clients for Talis, solicitors will use only investment advisory and marketing materials provided and approved by Talis.

For the solicitation services provided by solicitors, Talis pays to the solicitors, for so long as each agreement remains in effect; a percentage of all investment advisory fees received by Talis from any solicited clients. Payment to solicitors by Talis will have no effect on the

advisory fee paid by the client to Talis as set forth in the investment advisory contract. Compensation will not be paid to any solicitor in the event that any such payment would constitute a violation of applicable federal or state law.

#### **Item 15 – Custody**

We previously disclosed in the *Fees and Compensation* section above that our firm directly debits advisory fees from certain Client accounts. For Clients that authorize direct payment of advisory fees, the Client's custodian is advised of the amount of the fee(s) to be deducted from that Client's account(s). This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. You will receive account statements from the independent qualified custodian holding your funds and securities at least quarterly. The account statements from your custodian will indicate the amount of our advisory fee(s) deducted from your account(s) each billing period.

You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us immediately at the telephone number on the cover page of this brochure.

#### **Item 16 – Investment Discretion**

Talis normally requires discretionary authority from advisory Clients to determine which securities and the amounts of securities that are bought or sold in a client's account. This means that we may place trades in a Client's account without contacting the Client prior to each trade to obtain the Client's permission. Client grants this authority by means of a written investment advisory agreement. This agreement does not grant Talis the authority to take custody or possession of any client assets. Clients grant Talis limited power of attorney over their accounts at the selected custodian(s). Refer to the *Advisory Business* section of this brochure for more information on discretionary management.

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

As a matter of policy, Talis does not vote proxy on behalf of advisory clients. Therefore, Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other events pertaining to the Client's investment assets. Clients are responsible for instructing each custodian to forward to the Client copies of all proxies and shareholder communications related to the Client's investment assets.

Talis does not offer any consulting assistance regarding proxy issues to Clients.

### **Item 18 – Financial Information**

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

Because we maintain discretionary authority for Client accounts and are deemed to maintain limited custody over Client accounts, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Talis has no additional financial circumstances to report. We have not been the subject of a bankruptcy petition at any time.

### **Additional Information – Privacy Policy**

We are committed to safeguarding the confidential information of each of our clients. We hold all personal information provided to our firm in the strictest confidence. These records include all personal information that we collect from you in connection with any of the services provided by Talis Advisory Services, LLC. We use financial information that you provide to us to help you meet your personal financial goals while guarding against any real or perceived infringements of your rights of privacy. Our policy with respect to personal information about you is contained in our privacy policy below.

- We limit access to information only to those who have a business or professional reason for knowing, and only to nonaffiliated parties as permitted by law. (For example, federal regulations permit us to share a limited amount of information about you with a brokerage firm in order to execute securities transactions on your behalf, or so that our firm can discuss your financial situation with your accountant or lawyer.)
- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.

- The categories of nonpublic personal information that we collect from a client depend upon the scope of the client engagement. It may include information about your personal finances, information about transactions between you and third parties, or information from consumer reporting agencies.
- For unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors, we also require strict confidentiality in our agreements with them and expect them to keep this information private. Federal and state regulators also may review firm records as permitted under law.
- We do not provide any information to mailing list vendors or solicitors for any purpose.
- Personally identifiable information about you will be maintained during the time you are a client and for the required time thereafter that such records are required to be maintained by federal and state securities laws, and consistent with the CFP Board Code of Ethics and Professional Responsibility. After this required period of record retention, all such information will be destroyed.

We continue to evaluate our efforts to protect personal information and make every effort to keep your personal information accurate and up to date. We will provide notice of changes in our information sharing practices. Talis Advisory Services offers several options for accessing and, if necessary, correcting your account information. You can review brokerage statements provided by your designated custodian, or you may email, write, or call us to request information. Email is an important form of communication between Talis Advisory Services and its clients. Talis Advisory Services may communicate information in emails that relate to subjects that include regulatory information or to send you information about our products or services. If you prefer not to receive email communication, please call us at the telephone number on the cover page of this brochure.

#### **Additional Information – Litigation and Settlements**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct or negligence by issuers of securities held by you.