



# **Parker Financial Advisors**

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

**Effective: January 1, 2016**

This Disclosure Brochure provides information about the qualifications and business practices of C. L. Parker, Inc. d/b/a Parker Financial Advisors ("PFA"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (832) 476-3495 or by email at [charles@parkerfeeonly.com](mailto:charles@parkerfeeonly.com).

The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission ("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 PFA to assist you in determining whether to retain the Advisor.

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

**Parker Financial Advisors**

**CRD No: 114213**

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## Item 2 – Material Changes

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

PFA believes that communication and transparency are the foundation of our relationship and continually strive to provide our Clients with the complete and accurate information at all times. We encourage all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

During 2015, there have been no material changes to our Disclosure Brochure or Brochure Supplement.

### Future Changes

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

At any time you may view the current Disclosure Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To review the firm information for PFA:

- Click **Investment Advisor Search** in the left navigation menu.
- Select the option for **Investment Advisor Firm** and enter **114213** (our firm’s CRD number) in the field labeled “Firm IARD/CRD Number”.
- This will provide access to Form ADV Part 1 and Part 2.
- Item 11 of the ADV Part 1 lists legal and disciplinary questions regarding the Advisor.
- In the left-hand navigation menu, Form ADV Part 2 is located near the bottom.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (832) 476-3495 or by emailing [info@parkerfeeonly.com](mailto:info@parkerfeeonly.com).

## Item 3 – Table of Contents

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ITEM 1 – COVER PAGE.....	I
ITEM 2 – MATERIAL CHANGES.....	II
ITEM 3 – TABLE OF CONTENTS.....	III
ITEM 4 – ADVISORY SERVICES .....	1
A. FIRM INFORMATION.....	1
B. ADVISORY SERVICES OFFERED.....	1
C. CLIENT ACCOUNT MANAGEMENT.....	2
D. WRAP FEE PROGRAMS .....	2
E. ASSETS UNDER MANAGEMENT .....	3
ITEM 5 – FEES AND COMPENSATION .....	3
A. FEES FOR ADVISORY SERVICES .....	3
B. FEE BILLING .....	4
C. OTHER FEES AND EXPENSES .....	4
D. ADVANCE PAYMENT OF FEES AND TERMINATION .....	4
E. COMPENSATION FOR SALES OF SECURITIES .....	5
ITEM 6 – PERFORMANCE-BASED FEES.....	5
ITEM 7 – TYPES OF CLIENTS.....	5
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	5
A. INVESTMENT STRATEGIES .....	5
B. RISK OF LOSS.....	6
ITEM 9 – DISCIPLINARY INFORMATION .....	6
ITEM 10 – OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS .....	7

<b>ITEM 11 – CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....</b>	<b>7</b>
A. CODE OF ETHICS .....	7
B. PERSONAL TRADING AND CONFLICTS OF INTEREST .....	7
<b>ITEM 12 – BROKERAGE PRACTICES .....</b>	<b>8</b>
A. RECOMMENDATION OF CUSTODIAN[s].....	8
B. AGGREGATING AND ALLOCATING TRADES.....	8
<b>ITEM 13 – REVIEW OF ACCOUNTS.....</b>	<b>9</b>
A. FREQUENCY OF REVIEWS.....	9
B. CAUSES FOR REVIEWS .....	9
C. REVIEW REPORTS.....	9
<b>ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION .....</b>	<b>9</b>
A. COMPENSATION RECEIVED BY PFA .....	9
B. CLIENT REFERRALS FROM SOLICITORS .....	10
<b>ITEM 15 – CUSTODY .....</b>	<b>10</b>
<b>ITEM 16 – INVESTMENT DISCRETION .....</b>	<b>10</b>
<b>ITEM 17 – VOTING CLIENT SECURITIES.....</b>	<b>10</b>
<b>ITEM 18 – FINANCIAL INFORMATION.....</b>	<b>10</b>
<b>PRIVACY POLICY .....</b>	<b>11</b>

## Item 4 – Advisory Services

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### A. Firm Information

Parker Financial Advisors (“PFA” or the “Advisor”) is an SEC registered investment advisor notice filed in the State of Texas. PFA is organized as a S Corporation under the laws of the State of Texas, having elected S Corporation status effective 1/1/2014. PFA was founded in 1996 and is owned and operated by President and Chief Compliance Officer, Charles L. Parker, Jr. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by PFA.

### B. Advisory Services Offered

PFA uses the following systematic consulting process for uncovering a prospective client’s most important goals and for designing and implementing customized solutions.

1. **Discovery Meeting** – There is no charge or commitment to conduct this meeting in which PFA and the prospective client explore whether working together to achieve what is important to the prospective client is a good idea. If PFA and prospective client agree to proceed, then we schedule our next meeting for approximately two weeks later.
2. **Investment Plan Meeting** – There is no charge or commitment to conduct this meeting in which PFA presents to the prospective client a proposed Investment Plan and Investment Policy Statement. We will not allow the prospective client to engage PFA in this meeting. If the prospective client anticipates engaging PFA for services, then we schedule another meeting for approximately one week later.
3. **Mutual Commitment Meeting** – In this meeting, PFA and the prospective client will review and sign a Wealth Management Agreement. Implementation of the Investment Plan and Investment Policy Statement begins after the Wealth Management Agreement is signed. PFA collects additional information and begins assembling the Client’s Wealth Management Plan. PFA and Client schedule the next meeting for approximately 45 days later.
4. **45-Day Follow-Up Meeting** – In this meeting, PFA and Client review and organize the new account setup materials, account transfer materials, account statements, prospectuses, and other materials Client has received since signing the Wealth Management Agreement. PFA and Client schedule the next meeting for approximately 45 days later.
5. **Regular Progress Meeting** – In the first Regular Progress Meeting, PFA presents to Client a customized Wealth Management Plan that is organized into four advanced planning areas: Wealth Enhancement, Wealth Transfer, Wealth Protection, and Charitable Giving. PFA and Client discuss, prioritize and begin implementing the recommendations made in the Wealth Management Plan, which includes retirement planning, estate planning, tax planning, cash flow planning, debt management and planning involving employee company benefits.

Regular Progress Meetings are held between PFA and Client about every three months for about the first year of the Wealth Management Agreement. During this first 12-month period, many aspects of the Client’s Wealth Management Plan are being implemented. The frequency of Regular Progress Meetings typically becomes semi-annually or annually, when agreed to by PFA and Client. Clients are encouraged to contact PFA any time they

have a question concerning their Investment Consulting services or an item addressed in their Wealth Management Plan.

Advanced Planning Service recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement recommendations through the Advisor.

### **C. Client Account Management**

Prior to engaging PFA to provide investment advisory and advanced planning services, each Client is required to enter into a Wealth Management Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Policy Statement – PFA, in connection with the Client, develops a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives. An Investment Policy Statement generally includes specific information on the Client's stated goals, time horizon for achieving the goals, investment strategies, Client risk tolerance and any restrictions imposed by the Client.
- Developing an Advanced Plan – PFA, in connection with the Client, develops an advanced plan to address investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.
- Portfolio Construction – PFA will develop a portfolio for the Client that is intended to meet Client's stated goals and objectives.
- Investment Management and Supervision – PFA will provide investment management and ongoing oversight of the Client's portfolio and overall account.

PFA has Clients that began working with the firm before the Wealth Management Agreement existed. These Clients signed an Investment Management Agreement and may have also signed a Financial Services Agreement. These two agreements reflected a former method of providing services. In the past, PFA provided investment advisory services on a percentage of assets under management basis separate from the financial planning services that were provided on an hourly basis. The Advisor had separate agreements to handle these two services. Some Clients still have one or more of these former agreements in place but PFA provides the same services as outlined under the Wealth Management Agreement. In some cases, the minimum fee under the old agreements is lower than under the new Wealth Management Agreement, in which case it is to the Client's benefit to retain the previous agreement.

### **D. Wrap Fee Programs**

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

## E. Assets Under Management

As of December 31, 2015, the most recent date for which such calculations are provided pursuant to securities regulations, PFA managed the following assets:

Assets Under Management	Assets
Discretionary Assets	\$139,669,200
Non-discretionary Assets	\$0
<b>Total</b>	<b>\$139,669,200</b>

Clients may request more current information at any time by contacting the Advisor.

## Item 5 – Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for investment management services. Each new Client shall sign a Wealth Management Agreement that details the responsibilities of PFA and the Client.

### A. Fees for Advisory Services

#### Account Portfolio Management and Advanced Planning Services

Wealth management fees are paid quarterly in advance pursuant to the terms of the Wealth Management Agreement. Wealth management fees are based on the market value of assets under management at the end of each calendar quarter. Wealth management fees range from 1.00% to 0.30% based on the following schedule:

Assets	Management Fee (Per Quarter)	Annual %
Up to \$2,000,000	0.2500%	1.00%
Next \$1,000,000	0.1875%	0.75%
Next \$1,000,000	0.1500%	0.60%
Next \$1,000,000	0.1125%	0.45%
Above \$5,000,000	0.0750%	0.30%

The wealth management fee encompasses all aspects of PFA's advisory business, both the advanced planning and investment management services. Fee calculations are rounded to the nearest dollar for billing purposes (1 to 49 cents rounded down and 50 to 99 cents rounded up). The minimum quarterly fee is \$3,000.

Certain services outside of the scope of the Wealth Management Agreement, as agreed upon by the Client and PFA, will be billed on an hourly basis at a rate not to exceed \$250 per hour. An estimate for total billable hours will be determined and agreed upon by PFA and Client before Client receives an hourly billing.

## **B. Fee Billing**

### Account Portfolio Management and Advanced Planning Services

The Custodian will deduct wealth management fees from the Client Account. The Advisor shall submit to Custodian the amount of the fees to be deducted from the Client Account at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with PFA at the end of each calendar quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the Investment Advisory Fee. Advisor will provide Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee upon request. It is the responsibility of the Client to verify the accuracy of these fees as listed on Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting PFA to be paid directly from their accounts held by the Custodian as part of the Wealth Management Agreement and the account forms provided by the Custodian.

### Work Outside Scope of Wealth Management Agreement

As noted above, fees for work outside the scope of the Wealth Management Agreement are agreed to in advance of any billing, are invoiced by Advisor and are due upon receipt. PFA may bill up to 50% of the estimated fees in advance of commencing any hourly project work.

## **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than PFA, in connection with investment made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The wealth management fee charged by PFA is separate and distinct from these Custodian and execution fees.

All fees paid to PFA for investment advisory services are separate and distinct from any expenses charged by mutual funds and exchange-traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees and expenses are generally used to pay fund management fees, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and possibly a distribution fee. A Client may be able to invest in these products directly, without the services of PFA, but would not receive the services provided by PFA which are designed, among other things, to assist the Client in determining which products or services are most appropriate to each Client's financial condition and objectives. Client should review both the fees charged by the fund[s] and the fees charged by PFA to fully understand the total fees paid.

## **D. Advance Payment of Fees and Termination**

PFA is compensated for its services in advance of the quarter in which investment advisory services are rendered. Clients may request to terminate their Wealth Management Agreement with PFA, in whole or in part, by providing advance written notice. The Client shall be responsible for Wealth Management Fees up to and including the effective date of termination. PFA will reimburse Client on a pro-rata basis for any fees paid and attributable to the quarter remaining after the effective date of termination. The Client's Wealth Management Agreement with the Advisor is non-transferable without Client's written approval.



## E. Compensation for Sales of Securities

PFA does not act as a principal in any securities transactions and does not receive any compensation for securities transactions in any Client account. The only sources of revenue for the Advisor are wealth management fees and any hourly fees as discussed above.

## Item 6 – Performance-Based Fees

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PFA does not charge performance-based fees for its investment advisory services. The fees charged by PFA are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

## Item 7 – Types of Clients

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FA provides investment advisory services to the following types of Clients:

- Individuals, High Net Worth Individuals, Personal Trusts and Estates – private investors, investing their personal assets
- Pension and Profit Sharing Plans – retirement plan sponsors or company plans
- Corporations or other business entities – private entities that hold personal investable assets of individual clients

The relative percentage each type of Client is available on PFA's Form ADV Part 1. These percentages will change over time. PFA generally does not impose a minimum account size for establishing a relationship; however, there is a minimum quarterly fee of \$3,000.

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

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### A. Investment Strategies

PFA's investment philosophy is academically based, grounded in Modern Portfolio Theory and strongly influenced by diversification strategies developed by Nobel Prize-winning financial economists. Our philosophy is strongly influenced by the following principles:

1. **Markets are Efficient** – It is virtually impossible to anticipate the future direction of the market as a whole or of any individual security. It is therefore, unlikely that any portfolio will succeed in consistently "beating the market".
2. **Risk and Return Are Related** – Equities offer the potential for higher long-term investment returns than cash or fixed income investments. Equities are also more volatile in their performance. Investors seeking higher rates of return must increase the proportion of equities in their portfolio, while at the same time accepting greater variation of results (including occasional declines in value).
3. **Diversification is the Key** – Portfolio risk can be decreased by increasing the diversification of the portfolio and by lowering the correlation of market behavior among the asset classes selected. (Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another).

4. Portfolio Structure Determines Performance – the design of the portfolio as a whole is more important than the selection of any particular security within the portfolio. The appropriate allocation of capital among asset classes (stocks, bonds, cash, etc.) will have far more influence on long-term portfolio results than the selection of individual securities. Investing for the long term (preferably longer than 10 years) becomes critical to investment success because it allows the long-term characteristics of the asset class to surface.
5. PFA generally causes clients to purchase mutual fund shares for which the client pays a transaction charge. Although there may be similar mutual funds available with no transaction fees (“NTF funds”), PFA believes that the overall costs associated with NTF fund shares are higher over the long term than the transaction charge paid initially by the client. Included in this philosophy is PFA’s use of mutual funds within the Dimensional Funds group, which are not NTF funds.

It is our belief that institutional, asset class vehicles, including index funds, provide the best investment option based on their diversification, low cost, and tax efficiency, and the investment community’s inability to consistently outperform using active management strategies. Some of the mutual funds PFA currently uses to implement Client investment strategies are available only through institutional investors such as PFA. In the event Client terminated PFA’s services, the institutional funds could be retained or liquidated by the Client, but no additional shares could be purchased. PFA uses institutional funds because (compared with funds available to retail investors) fund expenses tend to be lower, tax efficiency tends to be improved, and the fund experiences less volatility in the flow of money in and out of the fund by investors.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. PFA will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client’s investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client’s account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client’s account. The Advisor shall rely on the financial and other information provided by the Client or their designees 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 other factors that may affect this analysis.

PFA primarily employs investment strategies that do not involve any significant or unusual risk other than domestic equity and international market risks. The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

## **Item 9 – Disciplinary Information**

PFA and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter **114213** in the field

labeled "Firm IARD/CRD Number". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions.

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

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The sole business of PFA and Mr. Parker is to provide wealth management services to its Clients. Neither PFA nor its advisory personnel are involved in other business endeavors. PFA does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

PFA utilizes the services of Consider it Done, Inc. to perform administrative functions, including direct client contact and access to confidential client information. PFA has agreements with providers such as Consider it Done, Inc. that includes confidentiality provisions.

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

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### **A. Code of Ethics**

PFA has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with PFA. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. PFA and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of PFA associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. PFA has written its Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at (832) 476-3495 or via email at [info@parkerfeeonly.com](mailto:info@parkerfeeonly.com).

### **B. Personal Trading and Conflicts of Interest**

PFA allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) for you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you.

At no time, will PFA or any associated person of PFA, transact in any security to the detriment of any Client.

## Item 12 – Brokerage Practices

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### A. Recommendation of Custodian[s]

PFA does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or custodian ("Custodian") to safeguard Client assets and authorize PFA to direct trades to this custodian as agreed in the Wealth Management Agreement. Further, PFA does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

PFA typically recommends to Clients that they established their brokerage account[s] at the Institutional Services division of Charles Schwab & Co. ("Schwab") or TD Ameritrade Institutional ("TDAI"). TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA. Schwab and TDAI are independent and unaffiliated SEC-registered broker-dealers and FINRA members. Schwab and TDAI offer registered investment advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. PFA receives some benefits from Schwab and TDAI. PFA considers a number of factors in selecting and/or recommending brokers and custodians for Client accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. PFA is not affiliated with, or related to, Schwab or TDAI.

1. **Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. This is discussed further in 14.A. below. PFA has not entered into any agreements concerning soft dollar programs sponsored or offered by any broker-dealer.
2. **Brokerage Referrals** - PFA does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.
3. **Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where PFA will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the custodian, PFA will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian. However, as discussed in Item 8 above, PFA generally causes clients to purchase mutual fund shares for which the client pays a transaction charge.

### B. Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. PFA will execute its transactions through an unaffiliated broker-dealer selected by the Client. PFA may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Accounts are monitored on a regular and continuous basis by Mr. Parker, President and Chief Compliance Officer of the Advisor and Investment Advisor Representative Mr. Klingen. Portfolios are formally reviewed with clients at least annually or more or less frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client should notify PFA if changes occur in his/her personal financial situation that might adversely affect his/her investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor also provides Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by PFA**

#### Participation in Institutional Advisor Platform

PFA has established institutional relationships with Schwab and TDAI to assist the Advisor in managing Client account[s]. Access to the Schwab's and TDAI's Institutional platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab and TDAI. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. The receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

Additionally, the Advisor may receive the following benefits from Schwab and TDAI: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

## **B. Client Referrals from Solicitors**

PFA may enter into referral agreements with solicitors under which PFA pays a fee to a solicitor for Client referrals as permitted by applicable rules and regulations. PFA would agree to pay a solicitor a percentage of revenue generated from the assets of Clients introduced to PFA by the solicitor. This fee percentage would be a fixed percentage of the total fees generated by the Client. Clients referred to PFA will not be charged a higher management fee than other Clients to cover the solicitor's fees.

PFA currently has no solicitor arrangements.

## **Item 15 – Custody**

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PFA does not accept or maintain custody of any Client accounts unless PFA's possession of login credentials to accounts not held at Schwab or TDAI is considered custody under existing regulations. Since 2010, Advisor has obtained a surprise audit for all accounts for which Advisor holds login credentials to accounts not held at Schwab or TDIA. Since 2010, annual custody audit results have confirmed compliance with applicable regulatory requirements.

All Clients must place their assets in a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct PFA to utilize that custodian for the Client's security transactions. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

## **Item 16 – Investment Discretion**

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PFA generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by PFA. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority is evidenced by the Client's execution of a Wealth Management Agreement containing all applicable limitations to such authority. All discretionary trades made by PFA will be in accordance with each Client's investment objectives and goals.

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

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PFA does not accept proxy-voting responsibility for any Client.

## **Item 18 – Financial Information**

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Neither PFA, nor its management has any adverse financial situations that would reasonably impair the ability of PFA to meet all obligations to its Clients. Neither PFA, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. PFA is not required to deliver a balance sheet along with this Brochure as the firm does not collect advance fees for services to be performed six months or more in advance.

## Privacy Policy

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**Effective:** PFA has maintained and annually distributed to clients a written privacy policy since 2001.

### **Current Policy:**

PFA is committed to safeguarding the use of your personal information that we have as your Investment Advisor. PFA (referred to as "we", "our" and "us" throughout this notice) protects the security and confidentiality of the personal information we have and make efforts to ensure that such information is used for proper business purposes in connection with the management or servicing of your account. Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything we can to maintain that trust.

We do not sell your non-public personal information to anyone. Nor does PFA provide such information to others except for discrete and proper business purposes in connection with the servicing and management of your account as discussed below. Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this privacy policy.

### **The Information We Collect About You**

You typically provide personal information when you complete the paperwork required to become our Client. This information may include your:

- Name and address
- E-mail address
- Phone number
- Social security or taxpayer identification number
- Assets
- Income
- Account balance
- Investment activity
- Accounts at other institutions

In addition, we may collect non-public information about you from the following sources:

- Information we receive on Brokerage Agreements, Managed Account Agreements and other Subscription and Account Opening Documents;
- Information we receive in the course of establishing a customer relationship including, but not limited to, applications, forms, and questionnaires;
- Information about your transactions with us or others

### **Information About You That PFA Shares**

PFA works to provide products and services that benefit our customers. We may share non-public personal information with non-affiliated third parties (such as brokers and custodians) as necessary for us to provide agreed services and products to you consistent with applicable law. We may also disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account. In addition, your non-public personal information may also be disclosed to you, persons we believe to be your authorized agent or representative, regulators in order to satisfy PFA's regulatory obligations, and is otherwise required or permitted by law. Lastly, we may disclose your non-public personal information to companies we hire to help administrate our business. Companies we hire to provide services of this kind are not allowed to use your personal information for their



own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested.

To repeat, we do not sell your non-public personal information to anyone.

#### **Information About Former Clients**

PFA does not disclose, and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our clients.

#### **Confidentiality and Security**

Our employees are advised about the firm's need to respect the confidentiality of our customers' non-public personal information. Additionally, we maintain physical, procedural and electronic safeguards in an effort to protect the information from access by unauthorized parties.

#### **We'll Keep You Informed**

We will send you notice of our privacy policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise our privacy policy, and will provide you with a revised policy if the changes materially alter the previous privacy policy. We will not, however, revise our privacy policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing. You may obtain a copy of our current privacy policy by contacting us at (832) 476-3495.