Part 2A of Form ADV: Firm *Brochure*

Item 1 Cover Page

Form ADV Part 2A - Firm Brochure
Dated: March 28, 2016

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This brochure provides information about the qualifications and business practices of Delta Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (504) 522-9019 and/or at the following email address: gplauche@deltafinad.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Delta Financial Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

The term "registered investment adviser" or being described as "registered," both of which may be found in this brochure, does not imply a certain level of skill or training.

Item 2 Material Changes

Not applicable at this time.

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Item 4 Advisory Business

Delta Financial Advisors was started in 2002. We are an independent investment advisory and financial planning firm based in New Orleans, Louisiana that is owned, and managed, by Gerard A. Plauché, Clifford F. Favrot and Ainsley D. Bishop.

Gerard A. Plauché was born 1/11/1965 in New Orleans, Louisiana. He was educated at the University of New Orleans (B.S. Degree in Finance) and Loyola University (MBA Degree). He co-founded the firm in 2002. Additionally, he is a holder of the Chartered Financial Analyst designation. *Please see below for a description of the CFA charter and the requirements for becoming a charterholder. Gerard was formerly employed by Fenner, Plauché and Williams Investment Management Company, Deposit Guaranty National Bank and Regions Bank. He has no current or previous legal or disciplinary events.

Clifford F. Favrot was born 5/22/1965 in New Orleans, Louisiana. He was educated at Williams College (B.A. Degree in Economics) and the Georgetown School of Business (MBA Degree). He co-founded the firm in 2002. He was formerly employed by Fenner, Plauché and Williams Investment Management Company, Bank One Corporation & MCI Telecommunications. Additionally, Clifford is a holder of the Chartered Financial Analyst designation and is a Certified Financial Planner® designee. The Certified Financial Planner® designation requires a bachelor's degree, or its equivalent from an accredited institution, and 3 years of related work experience. In addition, the program requires the successful completion of a 10 hour examination along with adherence to the CFP Board's Code of Ethics and Professional Responsibility. He has no current or previous legal or disciplinary events.

Ainsley D. Bishop was born on 8/2/1968 in Baton Rouge, Louisiana. She was educated at Louisiana State University (BS in Psychology & MBA degrees) as well as Southern University (MS Degree). She joined Delta Financial Advisors on July 12, 2004 as a Portfolio Manager and became an owner of the firm on December 29, 2008. She was previously employed by Charles Schwab and Co. and Morgan Stanley. She has no current or previous legal or disciplinary events.

We provide investment supervisory services on both a discretionary and non-discretionary basis. We analyze investment portfolios and then provide continuous advice on the investments based on the individual needs of each client. We tailor our advice to your unique goals and objectives. You may impose restrictions on us regarding the investments that we may purchase for your account(s).

We may have clients who, for personal reasons, may not wish to divulge certain information usually considered important to providing investment supervisory services. Under these circumstances, your account(s) would be managed based on all of the available information rather than all important information. Fees for such services would be the same as described in Item 5.

Continued on Continuation Pages 1 and 2

Item 5 Fees and Compensation

Our fees can be based on any of the following methods:

1. A percentage of assets under management;
2. Fixed fees.

Our typical fee is based on the market value of your assets under management as of the close of business on the previous quarter's last trading day. Our tiered annual fee schedule is:

- 1.25% on the amount up to $1,000,000 with a minimum charge of $1,250.00 per year
- 8/10 of 1% (0.80%) of the excess between $1,000,000.00 and $3,000,000.00 and
- 5/10 of 1% (0.50%) on amounts in excess of $3,000,000.00.

You may choose whether the fees are to be deducted from your account or if you are to be invoiced. There may be exceptions to these fees and methods of billing. In special situations where the market value of the assets is not appropriate, we will pre-negotiate special fees. Fees are computed and billed quarterly in advance. All fees are due within 30 days of the date on the invoice. A monthly service charge of 1 1/2% (1.50%) will be assessed on any unpaid balance beginning on the first day following this 30 day period. This service charge will accrue monthly until paid. If a contract is terminated prior to the end of the quarter, a refund will be calculated based upon the remaining number of days in the quarter and will be pro-rated. Our fees are our only source of income. We do not get paid in any other way.

You will also incur commissions from your broker for any trades that are done for you. These commissions, along with any other fees that the broker may charge, do not benefit us in any way. Some of these other charges may include account fees, margin interest, prime broker fees, trade away fees and wire charges. Please see Item 12 in this brochure for other Brokerage considerations. You have the option to trade your investment recommendations from us through any broker of your choice.

If mutual funds or exchanged traded funds are purchased for you or are held in your accounts, you may also incur additional fees including, but not limited to: sales charges, management fees and operating expenses paid to the funds' manager, redemption fees and 12 b-1 (i.e. marketing) fees. These fees would not be paid to our firm but rather are paid to the manager of the given mutual fund or exchange traded fund.

If you decide to cancel the contract within the first five business days after signing, cancellation may be allowed without fee or charge and a full refund of any payment may be made. If you wish to terminate the contract between the fifth day after signing and the end of the quarter, you may be charged a set-up fee which will be based on the hours involved billed at $200.00 per hour. In most cases, the set-up fee will be no less than $200.00. We may waive the set-up fee at our sole discretion. Any termination of our services, whether by client or us, shall be provided in writing.

We may terminate our agreement for non-payment of fees or other default. We may also terminate our contract should you make improper use of any information, recommendation or advice furnished. The contract may also be terminated if, in our opinion, the continued analysis of your portfolio becomes impractical, if you do not follow a substantial number of our recommendations, or for any other reason.

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

Not applicable

Item 7 Types of *Clients*

We provide investment advice to:

1. Individuals
2. Pension, profit sharing and other retirement plans
3. Trusts, estates, fraternal organizations or charities
4. Corporations or other businesses

At present, we have no banks, thrift institutions or investment companies as clients, but we have the ability and expertise to provide investment advice to any legal entity doing business in the United States.

Our minimum account size is $500,000.00 per client. You may meet this minimum by using one or more accounts. This minimum may be lowered if we believe that we may provide a proper level of service after reviewing your unique circumstances.

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

Our firm uses a wide variety of investment information to analyze different types of securities and to make investment decisions for our clients. We first establish your needs and objectives and then develop an investment strategy for the current and expected market conditions. Finally, we use securities analysis to pick the specific investments for your portfolio.

Our methods for securities analysis include fundamental, technical and charting methods. We use many sources of information including annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases, financial newspapers and magazines, corporate rating services, research materials prepared by other sources and timing services. We use data supplied by Standard & Poor's, Value Line Investment Survey and Moody's. We also use research material prepared by brokers and other sales people. All economic analysis and securities analysis of the various data is performed by us. The investment conclusions reached are our own independent judgment.

We use mostly long term purchases (investments held for at least one year) as our investment strategy. Occasionally we will also use short term purchases (investments held for less than one year), trading (investments held for 30 days or less), short sales (securities borrowed from the broker and sold with the intention of buying back at a lower price), margin purchases (using funds borrowed from the broker with account securities being used as collateral) and/or option purchases, sales or both. We are aware of and consider taxes while investing your assets.

Our strategy for investing in individual equities (common stocks) is to review the sector (industry) weightings of the Standard & Poor's 500 Composite Index and decide to equal, over or under weight each sector based upon our current thoughts on the economy. Once that decision is made, we then analyze the various stocks that could comprise these sectors and decide in which stocks we would like to invest. Our typical equity portfolio would hold approximately 35 different individual stocks. This is called diversification. The level of diversification may vary depending upon your account size or other circumstances.

From time to time, we may try to reduce overall client risk by also purchasing non U.S./international companies and/or exposure to U.S. companies with market values of less than $1 billion. We would normally invest in these markets through the purchase of mutual funds or exchange traded funds.

The fixed income (bond) portion of your portfolio will usually hold individual investment grade securities with laddered maturities (maturities ranging from short term to longer term). The typical portfolio would own at least 10 different bond positions. Your portfolio's bond holdings may vary depending upon your account size or other circumstances.

Investing in securities does involve risks of loss that you should be prepared to bear. When investing, avoiding all risk (s) is impossible.

There are many different types of investment risk. The two general types of risk are:

- Losing money, which is Investment risk
- Losing buying power, which is Inflation risk

There are several different ways you might lose money on an investment. To manage these risks, you need to know what they are.

Most investment risk is described as either systematic or nonsystematic.

Continued on Continuation Pages 3 and 4

Item 9 Disciplinary Information

There are no previous, current or pending legal or disciplinary events with our firm or any of our employees.

Item 10 Other Financial Industry Activities and Affiliations

Not applicable

Item 11 Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading

Delta Financial Advisors, LLC operates under the following Code of Ethics.

All employees of Delta Financial Advisors, LLC shall:

- Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession and the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.
- Promote the integrity of and uphold the rules governing capital markets.
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

This code is, for all intents and purposes, identical to the code of ethics developed by the CFA Institute.

A copy of the Code of Ethics is available upon request.

From time to time we may make an error in submitting a trade on your behalf. When this occurs, we may place a correcting trade with the broker-dealer which holds your account. If an investment gain results from the correcting trade, the gain will remain in your account unless: 1) the same error involved other client account(s) that should have received the gain, 2) the law does not allow for you to keep the gain, or 3) we talk with you and you decide to give up the gain (e.g., due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co., Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain in the amount of $100 and over to charity. If a loss occurs greater than $100, we will pay for the loss. Schwab will keep the loss or gain (if such gain is not kept in your account) if it is under $100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

We allow our employees to purchase or sell securities for their own account or related accounts in which they have an interest as long as their transactions are not likely to materially affect the market. This may include securities that we have also bought for you. Client accounts will always get preference and will be traded first unless the employee amount is considered insignificant. Employees are required to advise the management of all transactions in negotiable securities. The firm does not presently, but may in the future, have a position of interest in securities, the purchase or sale of which it might recommend to clients. We keep an internal report and monitor all employee trading on a quarterly basis. We feel that this does not, but might, create a potential conflict of interest.

Item 12 Brokerage Practices

The recommendation of a broker(s) is made using our judgment of the broker's execution ability, financial stability, service, reputation and rate of commission. You will be advised when it may be worth negotiating commissions. We will attempt to negotiate commission discounts with brokers on your behalf, if you ask us to do so. Commission rates are normally not considered to be of primary importance to us because commissions have become much cheaper in recent years. Our belief is that execution, delivery and back-office support are more important factors than the commission rate in deciding upon the executing broker.

We may allow a broker a higher commission than another might have charged for the same trade because of the "soft-dollar services" provided by that broker. Research services provided by brokers through whom we trade securities may be used in servicing other accounts and clients, and not all of these services may be used by us for the client that paid the commission to the broker providing such services. This could create a conflict of interest because we could receive research or other services that we might otherwise have to buy. We may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other product or service, rather than on your interest in receiving the most favorable execution.

During the last year, we had access to and used some of the following research services from brokers:

Standard & Poor's Stock Report	Ned Davis Research
Vickers Insider Trading Chronologies	Reuters Research
The Street Rating Report	Market Edge
Jaywalk Consensus Report	J.P. Morgan
Argus Analyst Report	Credit Suisse Research Reports

These services, and possibly others, were provided to us at no charge.

You may authorize us to trade specific orders for you after consulting with us on the name of the investment issue, amount, time, price, broker and exchange to be used, commission costs, and other relevant factors. In a discretionary account, you may specify, in writing, a limit on our discretion. You may choose one or more brokers to be used to trade in your account(s). If you choose certain brokers, you may end up paying higher brokerage fees than you might pay somewhere else. We will discuss brokerage alternatives with you. We are not responsible for the execution of client orders or for the commission charged by brokers, or for the services provided by brokers.

We participate in **one** client referral program with an outside broker and pay this broker referral fees if the referred client hires us. The referral program we are a member of is the TD Ameritrade AdvisorDirect programs, which is disclosed further below.

Continued on Continuation Pages 5,6,7 & 8

Item 13 Review of Accounts

All accounts are reviewed at least monthly by at least one of our portfolio managers.

Financial plans are typically updated every 3 to 5 years. Plans may be updated more often if needed.

We provide our clients with written quarterly reports showing number of shares, cost, market value, unrealized gains or losses, dividends, yield, acquisition dates, purchase and sales by month and year-to-date, industry subtotals, common and preferred stock subtotals, bond totals, grand totals--accompanied by a market and economic letter as well as a year-end income summary and other important information related to investments. You can register and sign into the firm's website, www.deltafinad.com, to view your monthly reports and the year-end tax reports for your accounts.

Item 14 *Client* Referrals and Other Compensation

Please see referral relationships described in Item 12 above.
Additionally, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

Advisor may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Advisor may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Advisor and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise Advisor and has no responsibility for Advisor's management of client portfolios or Advisor's other advice or services. Advisor pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Advisor ("Solicitation Fee"). Advisor will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by Advisor from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Advisor on the recommendation of such referred client. Advisor will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Advisor's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, Advisor may have an incentive to recommend to clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, Advisor has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Advisor's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

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Item 15 *Custody*

Under government regulations, we are deemed to have custody of your assets if you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's account statements to the periodic portfolio reports you will receive from us.

Item 16 Investment Discretion

As discussed in Item 4, we do accept discretionary authority to manage securities accounts for our clients. You may place limitations on this discretion. For example, if you do not want to invest in certain types of businesses or industries because of personal beliefs or for other reasons, you may restrict us from doing so.

In order for us to manage your account with discretionary authority, you must first complete our Discretionary Investment Management Agreement. You will also have to sign a limited power of attorney (LPOA) form that is provided by your broker. This LPOA authorizes us to execute trades in your brokerage account(s) without getting your approval beforehand.

Item 17 Voting *Client* Securities

Proxy Voting: It is our policy to vote client securities in what we believe is the best interest of the clients. We will carefully consider all issues being presented on a proxy before voting. You have the ability to direct how we vote for your interest in a security. This may or may not be different from how we vote a security for other clients. If any conflicts of interest would arise between us and our clients, we vote in favor of our clients. Additionally, all records of the proxies and how they were voted will be maintained for a period of five years. Any of these records will be available to any client upon request.

Item 18 Financial Information

Not applicable.

Item 19 Requirements for State-Registered Advisers

Not applicable

Item 4 Advisory Business *CONTINUED*

We offer advice to clients on many types of investments. Our primary objective is to provide highly personalized investment advice on portfolios of negotiable securities listed on exchanges in the United States or traded over-the-counter in the United States. Such portfolios of negotiable securities include, but are not limited to: stocks, bonds, municipal securities, certificates of deposit, commercial paper, other corporate debt securities, U.S. Government securities, security option contracts, mutual funds, exchange traded funds (ETFs), warrants, and partnership interests in real estate, oil and gas, or other mineral interests.

We believe that options contracts on commodities and futures contracts on intangibles or tangibles are speculative and should not normally be considered as investments.

Upon request, we also provide comprehensive financial planning for our clients as a tool to improve our regular investment management advice. In our financial planning work, we will analyze your current situation in the areas of tax, estate, investments, retirement and insurance. Once completed, we then make suggestions on how to reduce risks to your long term financial goals.

As of December 31, 2015, we had the following assets under management:

Discretionary: $325,172,119.61

Non-Discretionary: $45,745,806.99

Total: $370,917,926.60

Our principals may act under general power of attorney held by them from family members who may be or may become clients and may as a result draw checks on and deposit funds in those accounts. All funds shall be handled only in the checking or brokerage accounts of the particular family member and will, at all times, be kept separate from all client accounts. Broker-dealers or banks employed by these relatives would have custody of the securities and money in these portfolios.

Item 4 Advisory Business *CONTINUED*

*The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute -- the largest global association of investment professionals. There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

· Place their clients' interests ahead of their own
· Maintain independence and objectivity
· Act with integrity
· Maintain and improve their professional competence
· Disclose conflicts of interest and legal matters

Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders --often making the charter a prerequisite for employment. Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit www.cfainstitute.org.

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

Systematic risk is also known as market risk and relates to factors that affect the overall economy or securities markets. Systematic risk affects all companies, regardless of the company's financial condition, management, or capital structure, and depending on the investment, can involve international as well as domestic factors. Here are some of the most common systematic risks:

· **Interest-rate risk** is the risk that the value of a security will go down because of changes in interest rates. For example, when interest rates increase, bond issuers must pay higher interest rates on new bonds in order to attract investors. This means that the prices of existing bonds drop because investors prefer the newer bonds paying the higher rate. On the other hand, there's also interest-rate risk when rates fall because maturing bonds or bonds that are paid off before maturity must be reinvested at the new, lower rates.

· **Inflation risk** describes the risk that increases in the prices of goods and services, and therefore the cost of living, reduces your purchasing power.

· **Currency risk** occurs because many world currencies float against each other. If money needs to be converted to a different currency to make an investment, any change in the exchange rate between that currency and yours can increase or decrease your investment return. The greatest impact of currency risk usually comes from direct investment in international securities or funds that invest in international securities.

·**Liquidity risk** is the risk that you might not be able to buy or sell investments quickly for a price that is close to its true underlying value. Sometimes you may not be able to sell the investment at all if there are no buyers for it. Liquidity risk is usually higher in over-the-counter markets and small-capitalization stocks. Foreign investments can pose liquidity risks as well. The size of foreign markets, the number of companies listed, and hours of trading may limit your ability to buy or sell a foreign investment.

·**Sociopolitical risk** is the possibility that instability or unrest in one or more regions of the world will affect investment markets. Terrorist attacks, war, natural disasters and pandemics are just examples of events, whether actual or anticipated, that impact investor attitudes toward the market in general and result in system-wide changes in stock prices. Some events, such as the September 11, 2001 attacks on the World Trade Center and the Pentagon, can lead to wide-scale disruptions of financial markets, further exposing investments to risks. Similarly, if you are investing overseas, problems in these foreign countries may undermine those countries' financial markets. Another type of this risk is if a government in a particular country restricts investment by non-citizens or nationalizes (takes over) a business (es) or industry(ies).

Nonsystematic risk, in contrast to systematic risk, affects a much smaller number of companies or investments and is associated with investing in a particular product, company, or industry sector.

Here are some examples of nonsystematic risk:

· **Management risk**, also known as company risk, refers to the impact that management decisions, other internal missteps, or even external situations can have on a company's performance and, as a consequence, on the value of investments in that company. Even if you research a company carefully before investing and it appears to have solid management, there is probably no way to know that a competitor is about to bring a superior product to market. Nor is it easy to anticipate a financial or personal scandal that undermines a company's image, its stock price, or the rating of its bonds.

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

· **Credit risk**, also called default risk, is the possibility that a bond issuer will not continue to pay interest as scheduled or to repay the bond's principal at the loan's maturity. Credit risk may also be a problem with insurance companies that sell annuity contracts, where your ability to collect the interest and income you expect is dependent on the claims-paying ability of the issuer.

One way to manage nonsystematic risk is to spread your investment dollars around, diversifying your portfolio holdings within each major asset class --stock, bonds, and cash --either by owning individual securities or by owning mutual funds that invest in the same securities. While you are likely to incur losses from a company that does not perform well, these losses should be much less dramatic if that company's stock is but one among many that you own.

You can also increase your investment risk if you don't monitor the performance of your portfolio and make appropriate changes as stock and market values change.

Item 12 Brokerage Practices *CONTINUED*

The Firm participates in the TD Ameritrade Institutional program for advisors. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer

TD Ameritrade offers to independently registered investment advisors services which include custody of securities, trade execution, and clearance and settlement of transactions. Adviser receives some benefits from TD Ameritrade through its participation in the program.

The Firm may recommend TD Ameritrade to clients for custody and brokerage services.

The Firm receives economic benefits through its participation in the program which may include any one or more of the following (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons.

Some of the products and services made available by TD AMERITRADE through the program may benefit us but not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help us manage and further develop our business. The benefits received by us or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. As part of its fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may directly influence our choice of TD AMERITRADE for custody and brokerage services.

The Firm, through its participation in the program, may receive discounts on compliance, marketing, technology, and practice management products or services provided to the Firm by third party vendors. These benefits received by the Firm, or its associated persons, do not depend on the amount of brokerage transactions directed to TD Ameritrade.

The Firm participates in AdvisorDirect, a referral program established by TD Ameritrade, an independent broker-dealer;

TD Ameritrade and the Firm are separate and unaffiliated;

The Firm pays fees, not to exceed 25% of the advisory fee that the client pays to the FIrm, to TD Ameritrade in connection with successful referrals made through Advisor Direct;

The Firm will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by the Firm from any of a referred client's family members, including a spouse, child or any other family member who resides with the referred client and hired the Firm on the recommendation of such referred client;

Item 12 Brokerage Practices *CONTINUED*

Conflicts of interest may arise from the Firm's participation in this referral program;

The Firm will not charge any fees or costs higher than the Firm's standard fee schedule offered to other advisory clients or otherwise pass referral fees paid to TD Ameritrade to its clients;

The Firm's duty of "best execution" is not eliminated by its participation in the program;

The Firm and TD Ameritrade are independent of one another and have neither an agency nor employment relationship;

In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, the Firm may have been selected based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, the Firm's client accounts maintained at TD Ameritrade; and

The Firm has agreed not to solicit clients referred through AdvisorDirect to transfer their brokerage accounts from TD Ameritrade or establish brokerage or custody accounts at other custodians other than when its fiduciary duties require it to recommend other broker-dealers or custodians .

Advisor participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade "), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program. (Please see the disclosure under Item 14. below.)

The Custodian and Brokers We Use

Delta Financial Advisors ("we/our") does not maintain custody of your assets that we manage. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We sometimes recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we may recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph

How We Select Brokers/Custodians [to Recommend]

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them

Item 12 Brokerage Practices *CONTINUED*

- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below *(see "Products and Services Available to Us from Schwab")*

Your Custody and Brokerage Costs

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we may have Schwab execute most trades for your account.

Products and Services Available to Us from Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a total of at least $10 million of our clients' assets in accounts at Schwab. Here is a more detailed description of Schwab's support services:

Services that Benefit You. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

Services that Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

Item 12 Brokerage Practices *CONTINUED*

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as we keep a total of at least $10 million of client assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The $10 million minimum may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – *see "How We Select Brokers/Custodians [to Recommend]")* and not Schwab's services that benefit only us. We do not believe that maintaining at least $10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

Item 14 Client Referrals and Other Compensation ***Continued***

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above *(see Item 12 – Brokerage Practices)*. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

N/A

N/A

N/A

N/A

N/A

N/A

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N/A

N/A