

**Item 1: Cover Page**

**March 30, 2017**

***Brochure  
for  
Richard P. Slaughter Associates, Inc.***

**Austin, Texas Physical Address:**

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Toll Free: 800.821.5610

**Austin, Texas Mailing Address:**

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**Websites:**

[www.slaughterinvest.com](http://www.slaughterinvest.com)  
[www.rpsplanadvisors.com](http://www.rpsplanadvisors.com)

**Additional Phone Numbers:**

RPS Retirement Plan Advisors  
Local: 512.593.6156  
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*This brochure provides information about the qualifications and business practices of Richard P. Slaughter Associates, Inc. If you have any questions about the contents of this brochure, please contact us at 512-918-0000, 800-821-5610, or [invest@slaughterinvest.com](mailto:invest@slaughterinvest.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 our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Registration as a Registered Investment Advisor does not imply a certain level of skill or training.*

## **Item 2: Material Changes**

This brochure was updated on March 30, 2017.

No material changes have occurred since the last annual brochure update, which was made on March 30, 2016.

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Not Applicable

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#### **Item 4: Advisory Business**

Richard P. Slaughter Associates, Inc. was established on January 2, 1991. We are a fee-only Registered Investment Advisor that serves clients throughout the United States and the world. In addition, we offer 401(k) plan consulting services as a 3(38) fiduciary under the business name RPS Retirement Plan Advisors.

Our firm's shareholders are Brooks C. Slaughter (primary shareholder), Kirsten E. Slaughter, Barbara C. Slaughter, Robert M. Tabor, Darby S. Armont, Jana L. Hovey, A. Michele Nowell, Virginia M. Paneda, James A. Sherrard and Amy M. Kothmann.

We offer discretionary and nondiscretionary managed account services, investment advice through consultations on an hourly basis and 401(k) plan consulting services. Services rendered depend upon your needs and wants.

We specialize in active asset management, comprehensive financial planning and 401(k) consulting. We also advise on matters such as mortgages, real estate, insurance, tax planning and estate planning.

For discretionary managed accounts, we are responsible for hands-on decision making for your investment portfolio. You sign a limited power of attorney that grants us trading authority at your independent custodian and authorizes us to make changes to your portfolio without consulting you in advance.

For nondiscretionary managed accounts, we are responsible for providing you with recommendations on your portfolio. You may either maintain the trading authority to make changes to your own portfolio, or you may place restrictions on some parts of your account while authorizing us to be responsible for hands-on decision making and trading on the rest of the account.

For both discretionary and nondiscretionary managed accounts, the brokerage firm that custodies your assets (your "custodian") will execute transactions and send trade confirmations account statements directly to you in a timely manner, and will send duplicate trade confirmations and statements to us. You will cover any transaction costs if applicable.

For hourly and 401(k) plan consulting, we may negotiate the terms of the agreement to meet the needs of both parties.

Our managed account and hourly consulting services are tailored to your individual needs based on your risk tolerance, investment time horizon, and financial goals. Our 401(k) plan consulting services are tailored to each plan's needs. We determine this information through conversations, information gathering and questionnaires. You may impose restrictions on investing in specific securities or specific types of securities.

As of March 29, 2017 we managed \$403,721,366 on a discretionary basis and \$29,129,415 on a nondiscretionary basis.

#### **Item 5: Fees and Compensation**

For managed accounts, we are compensated for our services by billing you for a percentage of the value of your assets under management as of the last business day of each quarter. Fees are payable quarterly in advance. In addition, we collect a one-time, refundable fee for up front financial planning services which is also a percentage of your account value. We receive payment for these fees by deducting them from your account. At your request, you may pay us by check instead.

When payment is made from your account: (1) you provide written authorization permitting fees to be paid directly from your account held by an independent custodian; (2) We record the amount of the fee, the value of your assets on which the fee is based, and the manner in which the fee was calculated. Subsequently, we notify the custodian of the amount of the management fee to be deducted from your account; and (3) the custodian must agree to send you a monthly or quarterly statement indicating all amounts disbursed from the account, including the amount of management fees paid to us.

Our managed account fee schedules are negotiable. They exclude commissions and any fees charged by the broker/dealer and/or outside manager as well as brokerage commissions and advisor fees charged on mutual funds, hedge funds, exchange traded funds, money market funds, options and real estate. Please see additional information on brokerage practices in Item 12.

Our firm and its employees do not accept or receive commissions, compensation or markups for the sale of securities or other investment products.

The standard fee schedule for discretionary managed accounts is as follows:

<u>Total Asset Value</u>	<u>Annualized Fee</u>
On the first \$1,000,000	1.25%
On the next \$1,000,000	1.00%
On the next \$3,000,000	0.75%
On the next \$5,000,000	0.65%
Minimum Quarterly Household Fee: \$1,562.50	

The standard fee schedule for nondiscretionary managed accounts is as follows:

<u>Total Asset Value</u>	<u>Annualized Fee</u>
On the first \$1,000,000	1.50%
On the second \$1,000,000	1.40%
On the third \$1,000,000	1.30%
On the next \$2,000,000	1.20%
On the next \$5,000,000	1.10%
Minimum Quarterly Household Fee: \$1,875	

Please note that some accounts may have a fee schedule not reflected above.

In addition to the above fee schedules, we collect an amount of 0.25% of the account value for each of your managed accounts with the first billing in order to cover up front financial planning services. This Planning Fee is refunded after twelve months if neither party has terminated the advisory agreement.

Either party (we or you) reserves the right to terminate the advisory agreement effective at the end of any month by sending a registered or certified letter (return receipt requested) at least fifteen days before the termination date to the last address of record. For managed accounts that terminate prior to the end of a quarter, the client will receive a refund of the unearned portion of the fee on a prorated basis. We reserve the right to revise existing fee arrangements subject to 30 days' prior written notice to clients. We reserve the right to negotiate special fees/discounts.

For hourly consulting, we are compensated for our services at a rate of \$180 per hour plus expenses. You may pay these fees by check, either as an up-front retainer or as we send bills to you. We typically ask for an up-front retainer in the amount of 50% of the estimated work. Hourly billing is done monthly, quarterly, or as work is completed, depending upon the scope of the work. These fees and payment arrangements are negotiable.

Specifically in regard to 401(k) plan consulting through RPS Retirement Plan Advisors: Fees are negotiable and are billed in arrears rather than in advance of the quarter. The billing schedule includes a flat plan support fee, a per-participant fee and an assets under management fee. We will notify the client of any changes in their fee schedule no later than 60 days prior to such change becoming effective. Either party (we or the client) may terminate the agreement by providing 30 days prior written notice to the other party. If the Investment Consulting Agreement is terminated by either the client or us effective as of a date which is not the end of a calendar quarter, the client will pay a pro rata portion of the fees based on the actual number of days elapsed. It should be noted that in our consulting capacity, we act as both the pension consultant and the money manager, although we do not charge any additional fees for money management.

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

This item is not applicable, as our firm and our employees do not currently accept performance-based fees or engage in side-by-side management.

#### **Item 7: Types of Clients**

We generally provide investment advice to the following types of clients: individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other businesses.

We also provide an investment advisory committee, back office operations support and office space to another investment advisory firm called Strategic Investment Management ("SIM"), which provides services to clients with lower account balances than our firm does. SIM also provides back office operations support to RPSAI.

In addition, we operate in alliance with SIM to provide pension consulting services to clients who need and desire such services.

In order to open and maintain a managed account, we impose a minimum quarterly household fee equivalent to a household size of \$500,000. We reserve the right to open accounts below these minimums.

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

Investing in securities involves risk of loss that you should be prepared to bear. We strongly encourage you to consider the following when opening an account: only commit those funds that can be invested on a long-term basis of at least 3 - 5 years; volatility can be expected when investing in equities; and as diversification is very important, certain asset classes may require larger investments to achieve diversification without excessive commissions.

We use the following methods of analysis in formulating investment advice: fundamental analysis and technical analysis. Fundamental analysis values securities by examining a company's financials and operations and considering only those variables directly related to a company rather than the overall state of the market. Technical analysis uses past trends to predict future trends in security price movement. Researcher subjectivity, unforeseen events and undisclosed data are all material risks that could affect the outcomes of these methods of analysis.

We use the following investment strategies in managing your assets: long term purchases, short term purchases, short sales, margin transactions and options writing including covered options, uncovered options or spreading strategies.

Long term purchases are securities held at least one year, and this is the strategy we most commonly employ. Short term purchases, or securities held less than one year, is a strategy we use less but may find necessary if a security's full potential is realized sooner than planned, in the event of unforeseen market or client circumstances, or to manage interest rate risk for fixed income securities. Our long and short term strategies typically utilize stocks, mutual funds, real estate and bonds. All three of these investment types carry the risk of loss of principal, although the degree of risk varies. Other risks include price volatility, business risk, interest rate risk, and loss of purchasing power.

Short sales borrow a security from a broker and selling it with the understanding that it must later be bought back and returned to the broker. It is a highly risky technique used to attempt to profit from the falling price of a stock. We discourage it and do not use it as a general investment strategy, but some of our clients do instruct us to execute short sales in their accounts. Short sales can also occur when clients are exercising employee stock options prior to their employer delivering the shares.

Margin transactions borrow money from a broker, and interest is assessed on the loan. It is a risky technique, as a drop in the market or your account value can result in the broker demanding immediate repayment of the loan. We also discourage this practice and do not use it as a general investment strategy, but some of our clients do instruct us to execute margin transactions in their accounts.

Options writing gives the investor the choice to buy or sell a security at a specific price by a specific time. It involves increased risk and may be appropriate for experienced investors in certain situations. There are various types of options, which carry varied risk levels: A covered option is an option contract backed by underlying shares, which the investor can have the option to either buy or sell. This is one of the less risky options strategies, and we sometimes use it to move a client out of overweighted positions over time. An uncovered option is an option contract that is not backed by the underlying asset, which the investor can have the option to buy or sell. It carries more risk than a covered option. Spreading strategies are a technique of buying and selling futures and options contracts at the same time to attempt to profit from price changes, and we employ it for income generation for some clients. (Futures are commodities or securities contracted for delivery at a stated future date at a specified price.)

#### **Item 9: Disciplinary Information**

This item is not applicable, as we have no legal or disciplinary events to disclose.

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

We are affiliated with another investment advisory firm called Strategic Investment Management ("SIM"), as noted in Item 7. Brooks C. Slaughter and James A. Sherrard are employees of both Richard P. Slaughter Associates, Inc. and Strategic Investment Management. Brooks' and James' primary employment is with Richard P. Slaughter Associates, Inc. We do not feel this creates a conflict of interest with clients as SIM provides services to a different target client than RPSAI.

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

We have a written Code of Ethics that governs the professional behavior of our employees. The Code of Ethics addresses standards of conduct and compliance with laws, protection of material nonpublic information, personal securities trading, initial public offerings and private placements, reporting violations, educating employees about

the Code of Ethics, advisor review and enforcement, and recordkeeping. We will supply a copy of the Code of Ethics to any client or prospective client upon request.

Some employees of our firm are also clients of our firm and SIM, and therefore may own securities that we recommend to our clients. We believe this is a strength since employees are willing to make the same investments they recommend to clients. The interests of non-employee clients take precedence over the interests of employee clients in any potential conflict of interest. To this end, we impose certain trading restrictions upon ourselves and persons associated with us in connection with securities that are traded for both our clients and ourselves, and employees are required to have duplicate trade confirmations sent to our firm for all of their brokerage accounts.

In fulfilling our obligation to seek “best execution” for our clients, we always assess aggregate versus individual trade orders and use the method that is most beneficial to them. In aggregate or “block” trading, each client’s account that is included in an order receives the average share price for all shares bought or sold for that particular security on that trading day, and no client benefits over the others. Both employee and non-employee client accounts may participate together in block trades. Since we must contact nondiscretionary clients before trading in their accounts, discretionary account trades will occur before or at the same time as nondiscretionary account trades when both account types are included in a block trade. We will attempt to contact nondiscretionary clients in a timely manner to determine if they would like to participate in the trade. Commissions for block trades are the same as commissions for trades that are placed on an individual basis.

## **Item 12: Brokerage Practices**

### **Directed Brokerage**

We are not a registered representative of any broker-dealer (“broker” or “custodian”) and we do not receive any fees, commissions or shared earnings from any broker. We do not know the factors a particular client will use to select a broker or custodian.

The broker you choose to custody your account is at your discretion and not ours, but we may recommend a broker if it is both beneficial to you and we have the ability to work with the broker. We base these determinations upon factors such as: reasonable commissions for the services provided, quality of execution, overall services for the price, the delivery of monthly or quarterly statements to clients, the ability to trade discretionary accounts with a limited power of attorney, the electronic delivery of client account information to us on a daily basis and other related factors.

We may recommend that you establish your brokerage accounts with one or more of the following firms from whom we receive daily account data feeds in order to custody your assets and facilitate trades in your accounts: Charles Schwab & Co., Inc. (“Schwab”) or TD Ameritrade, Inc. (“TD Ameritrade”).

We are independently owned and operated and not affiliated with these brokers.

At the present time, they provide to us or allow: computer service links to update client portfolios on our computers, uplink of trades, copies of client statements, and telephone and web access. This helps us monitor and manage client accounts more efficiently. Neither we nor our clients pay any direct compensation for these services, but compensation is built into the brokers’ cost of doing business.

These brokers also provide us with access to their institutional trading, operations and custody services, which are typically not available to their retail investors who do not have an investment advisor such as ourselves. These services generally are available to independent investment advisors on an unsolicited basis and at no charge so long



as a certain level of assets are maintained with the broker. These institutional services include research, brokerage, custody, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in their custody, these brokers generally do not charge separately for custody but are compensated by account holders through commissions, profits on money markets, or other transaction-related fees for securities trades that are executed through them or that settle into their accounts.

Different brokers generally have different commission rates, so choosing one rather than the others may cost you more money in commissions. There might also be additional costs attributed to securities transactions other than trade commissions. For example, on over-the-counter securities transactions, there is sometimes a mark-up to the “market maker”, or securities dealer the broker uses, as well as the commission charged by the broker.

Regarding the conditions under which we aggregate the purchase or sale of securities for various client accounts, please see Item 11.

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

While we do receive “soft dollar” benefits from brokers, we do not suggest brokers to you based on these benefits. Soft dollar benefits are research or other products or services, other than trade execution, received from brokers or third parties in exchange for the brokers’ commission revenue generated by the trading we do in our clients’ accounts. This is a benefit to us because we do not have to pay for such research, products or services. While it may give us incentive to recommend a broker based on our interest in receiving these benefits rather than on your interest in receiving most favorable execution, we place your interests before ours. We do not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate; rather, they are used for and benefit most of our client’s accounts, but they may not benefit all of them. The benefits may also be used for all of our client accounts and not just those accounts that paid for them through commissions.

We receive soft dollar benefits from all of the brokers listed above. In addition, they may also arrange, discount and/or pay for such benefits from independent third parties on our behalf. The benefits we receive include research as well as software and other technology that: provide access to client account data, such as trade confirmations and account statements; facilitate trade execution and allocation of aggregated trade orders for multiple client accounts; provide proprietary and third party research, pricing information and other market data; facilitate payment of our management fees from our clients’ accounts; and assist with back-office functions, recordkeeping and client reporting. The above brokers also provide other services intended to help us manage and further develop our business enterprise. These services include: consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, these brokers sometimes sponsor our company events, such as our annual charity golf tournament and our Continuing Professional Education (CPE) courses that we provide for professionals such as Certified Public Accountants (“CPAs”), attorneys, financial services professionals and insurance professionals.

Additionally, we have a Soft Dollar Agreement with Schwab whereby we receive, as a ratio of equity commission dollars, soft dollar credits that can be applied to the cost of research services. This is subject to a calendar year maximum of \$10,000 soft dollar credits. Our Schwab soft dollar credits for our past fiscal year were applied to the cost of subscriptions to the following research services: Value Line Research Center; Morningstar Advisor Workstation; HiddenLevers; and YCharts. We did not direct client transactions to Schwab or any other broker in return for soft dollar benefits we received.

We endeavor to act in your best interest.

### **Brokerage for Client Referrals**

We were formerly under an agreement with Charles Schwab & Co., Inc., an independent and unaffiliated broker-dealer (“Schwab”), to receive referrals from the Schwab Advisor Network™ (“the Service”). Our participation in this program for new referrals terminated on December 29, 2006, but we continue to pay the Participation Fee described below for clients referred to us prior to that date.

The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with our firm. They do not supervise us and have no responsibility for our management of clients’ portfolios or our other advice or services. We pay Schwab fees for clients who were referred to us through the Service. Our former participation in the Service may raise potential conflicts of interest described below.

We pay Schwab a Participation Fee on all referred clients’ accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. This fee is a percentage of the fees the client owes to us or a percentage of the value of the assets in the client’s account, subject to a minimum Participation Fee. We pay Schwab the Participation Fee for so long as the referred client’s account remains in custody at Schwab. It is billed to us quarterly and may be increased, decreased or waived by Schwab from time to time. It is paid by us and not by the client.

We generally pay Schwab a Non-Schwab Custody Fee if custody of a referred client’s account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees we generally would pay in a single year. Thus, we might have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees are based on assets in accounts of our clients who were referred by Schwab and those referred clients’ family members living in the same household. Thus, we might have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts at Schwab.

For accounts of our clients maintained in custody at Schwab, Schwab does not charge the client separately for custody but receives compensation from our clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also receives a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab’s fees for trades executed at other broker-dealers are in addition to the other broker-dealer’s fees. Thus, we may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for our other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Participants referred via this service are not required to utilize Schwab, as discussed earlier in this Item 12.

We also refer our clients to Certified Public Accountants (“CPAs”), attorneys, financial services professionals or insurance professionals (collectively referred to “Professional Advisors”) upon request. This service is designed to help clients find a Professional Advisor, and we neither receive compensation from any Professional Advisors for this service nor compensate any Professional Advisors for this service. Clients sometimes sign contracts with both our firm and Professional Advisor(s) and utilize and pay for services from each of these firms.

As noted in Items 7 and 10, we provide an investment advisory committee and back office operations support to Strategic Investment Management (“SIM”). In addition, Slaughter Associates may refer clients to SIM, and SIM may refer clients to Slaughter Associates.

### **Item 13: Review of Accounts**

We periodically review client accounts and financial plans. Reviews are performed by our advisory staff or our

investment committee, as indicated below.

Our advisory staff consists of the following employees of our firm: Brooks C. Slaughter, MBA, CFP®, President/CEO/Chairman of the Board/Chief Compliance Officer; Robert M. Tabor, AWMA, AIF®, Vice President; Darby S. Armont, MBA, CFA, CFP®, Vice President; Virginia Malavé Pañeda, AIF®, CFP®; Amy Kothmann, CFP®; Kyle Wasson, CFP®; and Phil Webb.

Our investment committee consists of the following employees of our firm: Brooks C. Slaughter, MBA, CFP®, President/CEO; Robert M. Tabor, AWMA, AIF®, Vice President; and Darby S. Armont, MBA, CFP®.

Our advisory staff reviews each managed account portfolio. For each investment, a support level, which is the projected low price, and resistance level, which is the projected high price, are established at the time of purchase. The price of each security is reviewed on a daily basis. If the price falls and breaks the support level, then serious consideration is given to selling the security, depending on the volume and news on the security. If the decision is to sell, then the security is sold, and the assets are redeployed into another investment. If the decision is to hold the security, then new support and resistance levels are established. When the security rises to near the resistance level, then the security is closely monitored to determine if it has the potential to break through with time and trade at higher levels or is topping out and should be sold. The selling of a security is a judgment call, which is made based on the experience of the managers.

Our investment committee and advisory staff collectively review all accounts. The reviews compare the performance of the account with appropriate indexes such as the Dow Jones Industrial Average, S&P 500, etc. The reviews are conducted at least quarterly or upon request. Reviews are initiated by quarterly reports, requests, or market conditions.

Financial plans are reviewed yearly or as needed by our advisory staff. They may be reviewed as often as needed. This can be triggered by requests or life changes (such as marriage, divorce, job loss, etc.).

Financial consulting and investment advice through consultations are customized to the needs and requirements of the client. The same reviews and reviewers discussed above are used. Written and/or verbal reports and advice are delivered dependent upon the needs and requirements of the client.

In addition to the advisory staff and investment committee account reviews described above, our back office staff reviews managed accounts daily to ensure that the information in our portfolio management databases reconciles with the clients' brokerage accounts.

We are available for a complete review of the account and plans for the future on a quarterly basis. A quarterly performance report is issued to each client showing asset allocation, distribution amongst industrial sectors, and other investment information. There is no extra compensation to us for the above services, only the compensation for managed accounts described in Item 5. Some clients conduct this review with their Certified Public Accountant, attorney, financial services professional or insurance professional (collectively referred to as "Professional Advisors" – see Item 12.). For clients that utilize another Professional Advisor for these meetings, a discounted fee schedule may apply.

A report detailing the performance of the account will be sent or posted to a secure website every three months. It is strongly recommended that clients avail themselves of a complete review of the account activities and plans for the future with their advisor either in person, via e-mail or by telephone.

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

Please see Item 12 for information on soft dollar benefits we receive, our participation in Schwab Advisor Network™, and our relationship with Professional Advisors and Strategic Investment Management.

While we do not have any established arrangements for giving or receiving gifts, we do sometimes give or receive gifts that have economic value. These include lunches, dinners, event or venue tickets, presents, gift cards and gift

baskets, plants, flowers and memorial donations given to and received from some clients, colleagues and vendors for special occasions, holidays, tokens of appreciation and expressions of sympathy.

In order to prevent conflicts of interest, all gifts given by our firm valued at \$100 or more must first be approved by our Chief Compliance Officer (“CCO”).

For gifts received, in accordance with our firm’s gift receiving policy employees are permitted to keep gifts valued at \$100 or less and are not required to report them. Gifts valued at over \$100 must be promptly reported to the CCO and entered into our Gift Log. The CCO will then either approve or deny these gifts at his discretion. If an employee is not sure of a gift’s value, the CCO will make this determination. Any suspected violation or attempted violation of these rules must be reported to the CCO immediately.

We make charitable donations to several non-profit organizations for which employees and/or clients of our firm or SIM sit on the Board of Directors. These non-profit organizations currently include The Christi Center (formerly For the Love of Christi), Texas Parent to Parent, Council on At-Risk Youth, Williamson County Children’s Advocacy Center, Autism Society of America, and AGE of Central Texas. These donations, along with our service on these boards of directors, are part of our service to the local community. Some of our clients also make charitable donations to these organizations.

#### **Item 15: Custody**

We deduct advisory fees directly from our clients’ accounts but do not otherwise have custody of our clients’ funds or securities.

The qualified custodians (brokers) who custody our clients’ assets send account statements directly to clients monthly or quarterly, as well as make account holdings available to clients via their independent website at any time. You should carefully review those statements, and also compare the information contained in any quarterly portfolio holdings reports you receive from us to those statements.

#### **Item 16: Investment Discretion**

We accept discretionary authority to manage securities on behalf of clients. Please see Item 4 for any limitations you may place on this authority.

Before we assume discretionary authority, you must execute a Limited Power of Attorney that we submit to the broker who custodies your assets. Once the broker has reviewed and accepted this document, they grant us the authority to place trades in your account at our discretion.

You may revoke this authority at any time by contacting us or by contacting the custodian directly.

#### **Item 17: Voting Client Securities**

We do not vote proxies for our clients; however, as part of our managed account and hourly consultation services we do offer advice on how clients should vote their proxies.

Clients may contact us by phone, mail, email or fax with questions about a particular solicitation.

All proxy materials are to be sent directly from the custodian or transfer agent to the client at their address of record.

**Item 18: Financial Information**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We are financially sound and have never been the subject of a bankruptcy petition.

**Item 19: Requirements for State-Registered Advisors**

This item is not applicable to our firm as we are an SEC registered advisor, not a state-registered advisor.

Item 1: Cover Page

March 30, 2017

***Brochure Supplement  
for the Richard P. Slaughter Associates, Inc.  
Investment Committee:  
Darby Armont, Brooks Slaughter and Bob Tabor  
and CERTIFIED FINANCIAL PLANNER™  
Professionals:***

*Darby Armont, Jana Hovey, Amy Kothmann, Virginia Malave Paneda, Brooks Slaughter and Kyle Wasson*

**Richard P. Slaughter Associates, Inc.**

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**Richard P. Slaughter Associates, Inc.**

**Richardson, Texas Physical and Mailing Address:**

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Richardson, TX 75080

Phone: 214.712.7457

*This brochure supplement provides information about our firm that supplements the Richard P. Slaughter Associates, Inc. brochure. You should have received a copy of that brochure. If you did not, or if you have any questions about the contents of this supplement, please contact Richard P. Slaughter Associates, Inc.*

*Additional information about the persons listed above is also available on the SEC's website at*

*[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

## **Item 2: Educational Background and Business Experience**

### **Investment Committee:**

**Darby Suggs Armont, MBA, CFA, CFP®**

Date of Birth: November 11, 1975

### **Education:**

B.A. in English, The University of Texas at Austin

M.B.A., The University of Texas at Austin

### **Janus:**

Supervisor, May 1999 – Apr 2001

**Richard P. Slaughter Associates, Inc.:**

Vice President

Joined RPSAI in May 2001

**Brooks Collier Slaughter, MBA, CFP®**

Date of Birth: December 28, 1964

### **Education:**

B.S. in Electrical Engineering, The University of Texas at Austin

M.B.A, University of Houston-Clear Lake

**Richard P. Slaughter Associates, Inc.:**

President, CEO, Chairman of the Board and Chief Compliance Officer

Joined RPSAI in August 1992

### **Strategic Investment Management:**

Managing Partner and Chief Compliance Officer

Joined SIM in December 2003

**Robert Miles Tabor, AWMA, AIF®**

Date of Birth: January 3, 1970

### **Education:**

Attended The University of Texas at Austin, Accounting

**Richard P. Slaughter Associates, Inc.:**

Vice President

Joined RPSAI in January 1998

### **CERTIFIED FINANCIAL PLANNER™ Professionals:**

**Darby Suggs Armont, MBA, CFA, CFP®**

See information above

**Jana Lynn Hovey, CFP®**

Date of Birth: September 26, 1970

### **Education:**

B.S. in Advertising, The University of Texas at Austin

### **Janus:**

Investment Specialist, May 1999 – Apr 2001

**Richard P. Slaughter Associates, Inc.:**

Compliance Officer & Financial Planner

Joined RPSAI in September 2001

**Amy Marie Kothmann, CFP®**

Date of Birth: April 6, 1989

**Education:**

Bachelor's degree in Personal Financial Planning from Texas Tech University

**Texas Tech University:**

Student from September 2007 through May 2010

Student Assistant from June 2010 through December 2011

**Richard P. Slaughter Associates, Inc.:**

Financial Advisor

Joined RPSAI in January 2012

**Virginia Malave Paneda, CFP®, AIF®**

Date of Birth: July 28, 1969

**Education:**

B.A. in Multinational Organizational Studies, St. Mary's University

**Richard P. Slaughter Associates, Inc.:**

Special Consultant

Joined RPSAI in January 2005

**Brooks Collier Slaughter, MBA, CFP®**

See information on previous page

**Kyle Patrick Wasson, CFP®**

Date of Birth: October 16, 1989

**Education:**

Bachelor's degree in Economics and minor in Personal Financial Planning from Texas Tech University

**pebblewriter.com:**

Intern, May 2013 – Dec 2013

**Richard P. Slaughter Associates, Inc.:**

Financial Advisor

Joined RPSAI in January 2014

The minimum qualifications for the professional designations listed above are as follows.

**CFP® certification:**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of



financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination, previously administered in 10 hours over a two-day period and currently administered in 6 hours over a one-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

#### **AWMA® designation:**

Enrollees on track to receive the Accredited Wealth Management Advisor<sup>SM</sup> designation will gain advanced, yet practical knowledge about these critical aspects of the financial services industry: asset management, allocation, and selection; investment performance and strategies; and taxation of investment products. The course also includes training in investment for retirement, strategies for small business owners, and the management of deferred compensation plans. In addition, instruction will cover insurance, estate planning, asset protection, and tax reduction issues.

The College for Financial Planning® awards the ACCREDITED WEALTH MANAGEMENT ADVISOR<sup>SM</sup> AND AWMA® designation to students who:

- successfully complete the program;
- pass the final examination; and
- comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.

Students must sign and return the Code of Ethics forms within six months of passing the final exam. Failure to complete and submit the forms within this time frame may result in termination of the individual's candidacy. If an

individual wishes to apply for authorization to use the Marks in the future, he or she may be required to fulfill the initial designation requirements in place at the time of passing the exam.

Successful students receive a certificate and are granted the right to use the designation on correspondence and business cards for a two-year period.

Continued use of the AWMA® designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the AWMA® designation by:

- completing 16 hours of continuing education;
- reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct; and
- paying a biennial renewal fee of \$75.

### **Accredited Investment Fiduciary® (AIF®):**

The AIF designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF Code of Ethics. In order to maintain the AIF designation, the individual must annually renew their affirmation of the AIF Code of Ethics and complete six hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC (a Fiduciary360 (fi360) company).

### **Chartered Financial Analyst® (CFA®) charter:**

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 134 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 22 countries and territories 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](http://www.cfainstitute.org).

### **Item 3: Disciplinary Information**

This item is not applicable, as there are no legal or disciplinary events to disclose.

### **Item 4: Other Business Activities**

As noted in Item 10 of the Brochure for Richard P. Slaughter Associates, Inc., Brooks C. Slaughter and James A. Sherrard are employees of both Richard P. Slaughter Associates, Inc. and Strategic Investment Management. Brooks' and James' primary employment is with Richard P. Slaughter Associates, Inc.

Please also see sections 7 and 12 of RPSAI's brochure noted above for additional information on Strategic Investment Management.

### **Item 5: Additional Compensation**

Please see Items 12 and 14 of the Brochure for Richard P. Slaughter Associates, Inc. for information on economic benefits other than the standard compensation package provided to employees of RPSAI.

### **Item 6: Supervision**

The Chief Compliance Officer (CCO) of Richard P. Slaughter Associates, Inc. (RPSAI) is President, CEO and Chairman of the Board Brooks Slaughter. Brooks' contact phone number is 512-918-0000 or 800-821-5610.

The CCO will administer RPSAI's compliance policies and procedures. He will utilize the assistance of the Compliance Officer in areas including, but not limited to, the following:

- Monitoring rules and regulations that apply to Registered Investment Advisors (RIAs)
- Monitoring for any compliance policies or procedures changes that are needed within the company
- Keeping RPSAI's written compliance policies and procedures up to date
- Making annual and amendment filings, as applicable, with the proper regulatory agencies
- Educating RPSAI employees about the company's compliance policies and procedures
- Monitoring for any breaches of compliance policies or procedures

The RPSAI investment committee formulates the investment advice given to clients. All of our firm's advisors are required to give advice within these parameters, in accordance with the compliance policies and procedures noted above.

#### **Item 7: Requirements for State-Registered Advisors**

This item is not applicable to our firm as we are an SEC registered advisor, not a state registered advisor.