

**Form ADV Part 2A – Firm Brochure  
Item 1: Cover Page  
September 2017**

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This brochure provides information about the qualifications and business practices of Ashworth & Empey Financial, LLC. If you have any questions about the contents of this brochure, please contact us at: (801) 364-4400, or by email at: [todd@ashworthempey.com](mailto:todd@ashworthempey.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 Ashworth & Empey Financial, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). CRD# 116950

Please note that the use of the term “registered investment adviser” and description of Ashworth & Empey Financial, LLC, LLC and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

Since the last annual amendment filed on 03/24/2017, no material changes have been made.

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### **Full Brochure Available**

Copies of our Firm Brochure are available by contacting us at (801) 364-4400 or by email at: [todd@ashworthempey.com](mailto:todd@ashworthempey.com).

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## **Item 4: Advisory Business**

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### **Firm Description**

Ashworth & Empey Financial, LLC has been in business as a Registered Investment Adviser since 1990.

Ashworth & Empey Financial, LLC provides personalized confidential financial planning and investment management to individuals, 401k, pension and profit sharing plans, trusts, estates, and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, retirement planning, and estate planning.

Ashworth & Empey Financial, LLC is also in the business of offering annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. Ashworth & Empey Financial, LLC's advisors may receive commissions from a non-client in connection with giving advice to clients.

Investment advice is provided, with the client making the final decision on investment selection. Ashworth & Empey Financial, LLC does not act as a custodian of client assets, nor does it have discretionary authority on client accounts. Clients always maintain asset control.

An evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur. Ashworth & Empey Financial, LLC also recommends third party investment management firms.

The Discovery Meeting is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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### **Principal Owners**

Todd P. McChesney, ChFC, CLU and R. Scott Thomas are the principal owners of Ashworth & Empey Financial, LLC.

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## **Types of Advisory Services**

On more than an occasional basis, Ashworth & Empey Financial, LLC furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of August 1, 2017, Ashworth & Empey Financial, LLC advises over \$127,168,863. All funds are managed on a non-discretionary basis.

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## **Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. As applicable, investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities. Agreements may not be assigned without client consent.

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## **Financial Planning Agreement**

A financial plan may be designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: net worth statement, cash flow statement, review of investment accounts (including reviewing asset allocation and providing repositioning recommendations), strategic tax planning, review of retirement accounts and plans including recommendations, review of insurance policies and recommendations for changes (if necessary), one or more retirement scenarios, and estate planning review and recommendations.

The scope of work and fee for a Financial Planning Agreement is provided to the client in writing prior to the start of the relationship.

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## **Advisory Service Agreement**

Most clients choose to have Ashworth & Empey Financial, LLC manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

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## **Asset Management**

Assets are invested primarily by Third Party Investment Managers in individual stocks, no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount

brokerages may charge a transaction fee for the purchase of some funds. The Advisor's Fee Schedule is set forth in each specific Investment Manager's Agreement.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm may charge a fee for stock and bond trades.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, ETFs, futures contracts, interests in partnerships, hedge funds and futures.

Initial public offerings (IPOs) are not available through Ashworth & Empey Financial, LLC.

## **Item 5: Fees & Compensation**

### **Description**

Ashworth & Empey Financial, LLC bases its fees on a percentage of assets under management, fixed fees (not including subscription fees), subscription fees and commissions. (See sections on Investment Advisory Agreement and Financial Planning Agreement.)

Some *Fixed Fee Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation. We charge on a flat fee basis for financial plans. The ultimate fee we charge you will be detailed in the Financial Planning Agreement. Our flat fees range from \$1,000 to \$50,000. Basic Financial Plans for families will be priced at \$1,000, Financial Plans for Businesses will be priced at \$5,000 to \$15,000, and Complex and multifaceted Financial Plans will be priced at \$15,000 to \$50,000.

Fees are *NEGOTIABLE*. The fee for a financial plan is predicated upon the facts known at the start of the engagement. Fees are commonly negotiated where multiple family accounts are involved. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

Ashworth & Empey Financial, LLC receives part of the Investment Management fee directly from the Third Party Investment Manager. A separate agreement with each Investment Manager is required for each client relationship. Ashworth & Empey Financial, LLC's fee schedule is set forth in each specific Investment Manager's

agreement. Ashworth & Empey Financial, LLC's portion of the Investment Management fee will never be more than 1.25% per annum.

The minimum annual investment advisory fee is \$5,000.00; however, current client relationships may exist where the fees are lower.

Advisor offers third party wrap fee programs managed by Third Party Investment Managers. All managers are selected by the Advisor. Investment Manager pays a portion of the fees to the Advisor for management oversight.

All fees are disclosed with applicable written disclosure to the client before any investments are made. When a third party manager is used for client fund management no-load funds are used. If a load fund is used, no management fee is applied.

The client always has the option to purchase recommended investment products from other brokers or Registered Investment Advisory firms not affiliated with Ashworth & Empey Financial, LLC.

Commissions do not comprise Ashworth & Empey Financial, LLC's primary source of compensation.

Ashworth & Empey Financial, LLC does not charge advisory fees in addition to commissions or markups.

Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

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## **Fee Billing**

Investment management fees are billed quarterly, in *ADVANCE* or in *ARREARS*, depending on the third party money manager that is selected. Payment in full is expected upon invoice presentation. Fees are usually deducted by the third party money manager from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Investment management fees for 401k plans are billed quarterly, in *ARREARS*, meaning accounts are invoiced at the end of the three-month billing period.

Fees for financial plans may be billed either with 50% or 100% of the fee paid up front. When 50% is paid up front the balance is due upon the delivery of the financial plan.

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## **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Ashworth & Empey Financial, LLC, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Investment Advisory Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations. Clients may incur brokerage and other transactional costs. Please see Brokerage Practices on page 9.

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## **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. This management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid to Ashworth & Empey Financial, LLC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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## **Past Due Accounts and Termination of Agreement**

A Client may terminate any of the aforementioned services at any time by notifying Ashworth & Empey Financial, LLC in writing. If the client made an advance payment for any of our services, Ashworth & Empey Financial, LLC and/or Third Party Investment Advisors will issue a refund for any unearned portion of the advance payment within 30 days of the written notice.

Ashworth & Empey Financial, LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Ashworth & Empey Financial, LLC and/or their agent will issue a refund for any unearned portion of the advance payment within 30 days of the written notice.

Ashworth & Empey Financial, LLC reserves the right to stop work on any account that is more than 30 days overdue. In addition, Ashworth & Empey Financial, LLC reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations



when necessary and appropriate, in Ashworth & Empey Financial, LLC's judgment, to providing proper financial advice.

If the Client does not receive our brochure and brochure supplements at least forty-eight (48) hours prior to entering into an agreement, the Client has the right to terminate our services without penalty within five (5) business days of entering into the agreement.

#### **Item 6: Performance-Based Fees & Side-By-Side Management**

##### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Ashworth & Empey Financial, LLC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

#### **Item 7: Types of Clients & Account Requirements**

##### **Description**

Ashworth & Empey Financial, LLC generally provides investment advice to individuals, 401k, pension and profit sharing plans, trusts, estates, and corporations or business entities. Client relationships vary in scope and length of service.

##### **Account Minimums**

The minimum account size is \$500,000 of assets under management. Ashworth & Empey Financial, LLC has the discretion to waive the account minimum.

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

##### **Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that Ashworth & Empey Financial, LLC may use include research and white papers from the following: Morningstar, Dimensional Fund Advisors, Loring Ward Advisor Services, and Alta Capital Management.

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## **Investment Strategies**

The primary investment strategy used on client accounts is structured asset allocation. This means that we use passively-managed index and exchange-traded funds as the core investments, and may add actively-managed funds where there may be other opportunities within the client's overall risk tolerances. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Other strategies may include long-term purchases, short-term purchases, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

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## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

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

#### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

Investment Advisors are also licensed insurance agents and have affiliations with various insurance companies whose products they sell. This may create a conflict of interest and may offer IA Reps an incentive to recommend insurance products that produce insurance commissions for the IA Rep. When any such recommendations are made, IA Reps will disclose this potential conflict of interest prior to completing any transaction and will obtain specific consent from the Client before purchasing any insurance product. Additionally, Clients always have the option to purchase insurance products through other agents not affiliated with Ashworth & Empey Financial, LLC.

Persons affiliated with adviser are also representatives of Royal Alliance Associates, Inc. (a Broker-Dealer) and may receive compensation in the form of commissions rather than Advisory Fees. While this can create a conflict of interest, such arrangements are disclosed in advance.

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

#### **Code of Ethics**

The employees of Ashworth & Empey Financial, LLC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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## **Participation or Interest in Client Transactions**

Ashworth & Empey Financial, LLC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees must comply with the provisions of the Royal Alliance & Associates, Inc. *Compliance Manual*.

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### **Item 12: Brokerage Practices**

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## **Selecting Brokerage Firms**

Our firm does not have discretionary authority to determine the Broker-Dealer to be used for a purchase or sale of securities for a client's account. Clients should refer to the specific Investment Manager's ADV Part 2A regarding their specific Brokerage Practices used and any conflicts of interest that might exist.

Ashworth & Empey Financial, LLC *does not* receive fees or commissions from any of these arrangements. Certain immediate family members have the option of portfolio aggregation in order to lower custodian trading costs.

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### **Item 13: Review of Accounts or Financial Plans**

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## **Periodic Reviews**

Account reviews are performed at least annually by advisors Todd P. McChesney, ChFC, CLU, R. Scott Thomas, Barry R. Jenkins, and Robert M. Woods, MBA. Account reviews may be performed more frequently when market conditions dictate.

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## **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's situation.

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## **Regular Reports**

Clients receive periodic communications on at least an annual basis. Investment Advisory clients receive written quarterly updates from Third Party Money Managers. The written updates may include a net worth statement, a portfolio statement, and performance reports.

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

### **Incoming Referrals**

Ashworth & Empey Financial, LLC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, and other centers of influence. Advisor does not compensate any person or entity for referrals.

### **Referrals Out**

Ashworth & Empey Financial, LLC does not accept referral fees or any form of remuneration from other professionals for client referrals.

The compensation paid to us by third party managers may vary, and thus, there may be a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. Our firm's fees are not higher than they would have been had our client obtained services directly from the third party money manager. Prior to referring clients to third party advisors, we will ensure that third party advisors are licensed or notice filed with the respective authorities. A potential conflict of interest in utilizing third party advisors may be an incentive to us in selecting a particular advisor over another in the form of fees or services. In order to minimize this conflict our firm will make our selections in the best interest of our clients.

## **Item 15: Custody**

### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Direct withdrawal of Advisory Fees is executed by Third Party Money Managers and not the Advisor. Clients will receive statements from both Custodian and the Investment Manager and should carefully review these statements.

## **Item 16: Investment Discretion**

Ashworth & Empey Financial, LLC does not have any investment discretion on managed accounts. Client should refer to the specific Investment Manager agreement as it relates to discretion.

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

### **Proxy Votes**

Ashworth & Empey Financial, LLC does not vote proxies on securities. Clients are expected to vote their own proxies. When assistance on voting proxies is requested, Ashworth & Empey Financial, LLC will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Item 18: Financial Information**

### **Financial Condition**

Ashworth & Empey Financial, LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided by Ashworth & Empey Financial, LLC as it does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.