

EQUITY ADVISORS OF KENTUCKY

IARD NUMBER 116398
SEC FILE NUMBER 801-67638

2950 WADDY ROAD
WADDY, KY 40076
(502) 829-9244

BROCHURE
March 31, 2018

This Form ADV Part 2A (Equity Advisors of KY) gives information about the investment advisor and its business for the use of clients and prospective clients. It does not require or imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us using one of the methods listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority

Additional information about our firm is available on the SEC's website at: www.adviserinfo.sec.gov.

Item 2- Material Changes

December

The date of our last brochure was June 26, 2017

We offer a Letter of Engagement as a contract option.

The Compliance Officer at Equity Advisors of Kentucky is Robyn Hensley.

These changes are the only changes for Equity Advisors of Kentucky, Inc.

Please contact us with any further questions or issues regarding the information offered or the format in which it is presented.

Item 3-Table of Contents

Item 1-Cover Page.....	1
Item 2- Material Changes	2
Item 3-Table of Contents	3
Item 4-Advisory Business	4-5
Item 5-Fees and Compensation	5-6
Item 6-Performance-Based Fees and Side by Side Management.....	6
Item 7-Types of Clients	7
Item 8-Methods of Analysis, Investment Strategies, and Risk of Loss	7-8
Item 9-Disciplinary Information	8
Item 10-Other Financial Industry Activities and Affiliations	8
Item 11-Code of Ethics, Participation or Interest In Client Transactions, and Personal Trading	9
Item 12-Brokerage Practices	9-10
Item 13-Review of Accounts	10-11
Item 14-Client Referrals & Other Compensation	11
Item 15-Custody	11
Item 16-Investment Discretion	11
Item 17-Voting Client Securities	11
Item 18-Financial Information	11-12
Item 19 Privacy Policy.....	12
Item 20-Requirements for State Registered Advisors	12

Item 4- Advisory Business

Advisory Firm

Equity Advisors of Kentucky assists clients in the selection of mutual funds, bonds, stocks, and other equities, balancing the investments as a total portfolio using asset allocation, which is just one part of our concept of Comprehensive Financial Planning. We also integrate budgeting and cash flow, retirement planning, estate planning, insurance recommendations, college funding, income tax planning and preparation, and consultation for business operations. We try to help clients in all these financial areas, so that they may grow their entire financial health, not just one piece of it.

We are a fee-only advisory firm; we execute a written Asset Management Agreement before beginning our work with clients. This agreement provides clients with the right to terminate services at any time, without any penalty charges, and in many cases a refund of the current quarterly client fee.

Equity Advisors of Kentucky Inc. (EAK) has been in business since 1985, started by Brian Guilliom, CFP, EA. Brian is the principal owner and president of the business, and has been the managing partner of the firm since its origination.

Assets under Management

-Equity Advisors manages Assets totaling \$ 125,370,560.00 as of December 31, 2017.

Advisory Services

Our financial planning services are based on the individual needs of each client. We complete an initial interview and data gathering questionnaire to determine the client's financial status and investment objectives, and to give the client the chance to make overall decisions of the investment portfolio. Clients have the ability to set standing instructions with us to refrain from investing in particular investments or types of securities, or to limit amounts of funds. We review the entire investment portfolio on a quarterly basis with the client, and also gather any pertinent financial information necessary to supervise the portfolio. It is, however, the client's responsibility to notify us any time there are changes. Clients may call in at any time during normal business hours to discuss issues or details of their account, financial situation, or investment needs. Business hours are Monday through Saturday from 8AM-5PM.

EAK uses Fidelity Investments as the primary custodian for client assets. Fidelity Investments is an independent broker-dealer, not affiliated with EAK. Clients receive written or electronic transaction confirmations and monthly statements from Fidelity containing a description of all account activities. EAK does not assist in the preparation or delivery of these documents. The client retains rights of ownership of all securities and funds at all times. The client may also receive statements for other assets held outside of Fidelity Investments, such as 401(K) accounts, which we will include in the supervision of the investment portfolio.

All client checks written for opening accounts, deposits, or transfers must be written to Fidelity investments. Checks cannot be written to EAK or any of its representatives under any circumstances. Furthermore, we do not hold any client funds at the firm, and cannot accept any monies from clients in any situation.

Client Portfolio Programs

EAK provides financial planning tailored to the individual client's financial and tax status and risk/reward objectives.. The investment portfolios are assigned percentages of exposure to stock market related securities and income driven investments. Example categories include safe, blend, growth and aggressive investing. The financial planning we provide may be comprehensive, or segmented and focused on investments, insurance, taxes, and/or estate plans. Our client risk tolerance and asset allocation is reviewed annually.

Other Services Provided

EAK provides income tax planning and preparation services to clients, and this work is separately performed outside of the Asset Management Agreement. The work is charged on an hourly basis and invoiced separately from financial planning fees.

EAK may provide financial planning and consulting for business owners, assisting in operations consultations, and creating and maintaining ESOPs, which may not involve securities investments. These services are separate and different than personal financial planning. Business services may include tax planning, entity organization or dissolution, budgetary planning, accounting consultation, succession planning, and other business planning.

Item 5-Fees and Compensation

Management Fees

EAK is compensated for financial planning by charging a fee. This fee is quoted as an annual fee. Fees are paid quarterly, calculated at a rate of one-fourth of the annual fee. The first payment is due and payable upon execution of the Agreement. Subsequent fees are paid at the beginning of the quarter. Partial quarter billings are calculated on a pro-rata basis. The following schedule reflects the maximum management fees we charge.

Assets	Fee as a %	Quarterly	Alternate 1	Alternate 2
			Plus 5% Appreciation	Plus 10% Appreciation
Under \$400,000		\$1,250 Quarter	N/A	N/A
To \$1,000,000	1.30%	as calculated	N/A	N/A
To \$2.5 Million	1.0%	as calculated	.80%	.25%
To \$5 Million	.90%	as calculated	.70%	.25%
Over \$5 Million	.70%	as calculated	.525%	.25%

Under Alternative 1, fixed fees are lower and a portion of the growth, net of fees, is paid at year end. Under Alternative 2, there are no fixed fees and a portion of the growth, net of fees, is paid at year end. **As of the date of this annual ADV update, Alternative 2 will only be offered to clients who currently have this option.** In this case, client expense is lower if investment values fall, and can be more if assets grow. A permanent High Watermark method is used to calculate appreciation. Please see **section 6** for further details.

Fees are billed quarterly at the beginning of each quarter.. In the case of some long term clients, lower fees are charged, and occasionally fees are bartered for client services. In special circumstances, work is performed on a pro bono basis.

All management fees are deducted with client permission, from the managed accounts, according to their proportion to the total investment portfolio. Fees based on retirement assets are deducted from retirement accounts, on a pre-tax basis. Clients are mailed a fee calculation invoice. The account custodian also notifies the client of the fee deduction.

Clients may cancel the Asset Management Agreement at any time with written notice to the firm. In the event of a cancellation, no further fees will be due, and the client may also request a refund for the current quarters billing. **The refund will be deposited into an account the client from which it was deducted.** The client will, however, be responsible for any fees or charges incurred from third parties as a result of any securities transaction executed. Neither EAK Inc nor its representatives receive compensation for the sale of any specific securities or other financial products. We recommend financial products outside of Fidelity Investments not affiliated with EAK Inc, and the client always has the option to purchase these investments.

All fees paid to EAK for advisory services are separate and distinct from the fees charged by mutual funds, trading commissions and transaction fees which may be charged by Fidelity Investments, and other custodians. EAK Inc does not receive any portion of these fees or commissions. Mutual funds recommended under advisory services will be “no-load” or “load-waived.” Clients are not obligated to purchase investment products recommended, or to purchase through our firm or custodians we recommend.

All securities fees are described in each fund’s prospectus, and will usually include a management fee and other expenses. We will always do our best to stay informed of any potential fees or commissions associated with recommendations, and will advise the client of this knowledge, whenever possible.

Fees for business operations consultation, and tax planning or preparation are computed at an hourly rate. Various rates apply as determined by the person performing the service as follows:

Brian Guilliom \$250 per hour for agreements signed until April 1, 2018.

Staff Work \$125 per hour

Office Administrative \$35 per hour

Fees are not collected for services to be performed more than three months in advance.

EAK’s Asset Management services will continue until either party terminates the agreement with verbal or written notice. The agreement must be renewed annually, upon a one-year anniversary of the initial agreement. A scanned copy of the written document will be kept in the client’s file for easy reference.

Item 6-Performance-Based Fees and Side by Side Management

The performance-based fees in conjunction with a lower asset management fee listed in item 5 are options that the client may choose as an alternative to the fixed fee plan. The appreciation fee is calculated and paid after year end. It is based on the growth of the client portfolio, less all fees paid already for the contract year. The charge for the growth is for that portion of growth above the highest growth ever in the client portfolio, net of client withdrawals. In other words, if the portfolio grows 10% in one year, then falls 20% the next year, the entire dollar value drop must be recovered before the client is charged for growth again. In no case is a client charged more than 3% of the value of their portfolio in one year. A client would have to have growth in excess of 35% for this high rate to apply.

Per KRS 292.320(3)(a), EAK can only be compensated on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of the client if the client is an accredited investor. Rule 501 of the Securities Act of 1933 states that an “Accredited Investor” shall mean any person who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of securities to that person:

- 1.(a)(5) any natural person whose individual net worth, or joint net worth with that person’s spouse, exceeds \$1 million (excluding the primary residence value)
- 2.(a)(6) any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year
- 3.(a)(7) any trust, with total assets in excess of \$5 million, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person.
4. (A) (8) any entities in which all of the equity owners are accredited investors

We prepare a Financial Statement once each year for every client as part of our Risk Assessment and Accredited Investor confirmation.

Our Appreciation Fee arrangement may create an incentive for us to make investments that could be riskier, or more speculative. Performance based compensation may also create an incentive to favor accounts paying the highest fees in the allocation of investment opportunities. As a Certified Financial Planner®, EAK Inc and its principal have a fiduciary duty and written supervisory procedures to treat all clients fairly and to avoid such conflicts of interest.

Item 7-Types of Clients

EAK provides financial advisory services to individuals, trusts, estates, and business entities.

The minimum account size is generally \$400,000, subject to a minimum annual fee of \$5,000. This minimum fee would increase the maximum percentage rate paid on smaller accounts to more than 2%, as displayed on our standard fee schedule. However, in no case would the fee exceed 3% per year.

EAK requires no minimum time period for clients who retain financial planning services.

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

Investment Analysis

Our approach to managing investments are based upon the following theories:

1. Asset Allocation
2. Portfolio Diversification
3. Tax Focused Investing
3. Continuous, long term investing (not market timing, or day trading)

Our primary investment focus is strategic asset allocation. This strategy reflects analysis of various asset classes, such as fixed income funds, mid and large cap funds, international funds, small-cap funds and alternative investments to determine the overall portfolio mix and potential holdings. After the initial analysis, we then review each portfolio quarterly in an effort to respond to market changes, and to enhance portfolio returns. The primary risk to clients with this strategy is that we may overweight an asset class that might underperform, while underweighted assets are outperforming.

EAK generally recommends the bulk of a portfolio be comprised of mutual funds. The use of mutual funds diversifies the portfolio, as mutual funds own a variety of equities, usually based upon one asset class or sector. The selection of mutual funds included in the portfolio is based upon Morningstar's analyzed reports. These reports include data on performance, risk, style, and manager tenure, in comparison to other comparable funds.

Stocks, Exchange Traded Funds and alternative investments can be added to a portfolio, based on the desire and overall risk preference of the client, portfolio allocation goals, and specific market trends and performance. These equities are also chosen using Morningstar's performance reports, as well as other current market indicators such as inflation and interest rates.

Our investment philosophies

Our company principal is a Certified Financial Planner. As such, we operate under the Standards promulgated by the CFP Board of Standards. Included is the standard of operating in a manner that requires each CFP to always act in the best interest of the client.

1. Preservation of capital with diversification- we offer prudent investment planning and maximization of after tax growth, based on the client's risk tolerance and length of time until retirement

2. Reduce Investment expenses such as loads, transaction fees, and management fees
3. Tax efficient strategies-our recommendations will always be made with the goal of income tax reduction in mind. Many clients don't realize how much of investment gains are lost to taxation over the long term.
4. Peace of Mind- we always try to tailor a client's portfolio to their own preferences- risk tolerance, term of portfolio, social consciousness, and other factors.

Risk of Loss

Investing in securities involves risk and possible loss that the client should be prepared to bear. While there is risk in all investments, some carry a greater degree of risk or higher costs. There is no guarantee that the investment strategy selected for the client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss. Also, past performance may not be indicative of future results. It should not be assumed that future performance of any one specific investment or strategy will be profitable or produce equal results of the corresponding index.

EAK discloses those risks and opportunities for our investment strategy or for particular types of securities used, wherever possible. Some of these inherent risks are described below.

- ☐ Income driven securities are subject to interest rate risk
- ☐ High yield securities are corporate debt securities rated below investment grade
- ☐ International and Global equities frequently carry more risk than domestic products
- ☐ Sector funds such as energy, financial, and technology are less diversified than most funds
- ☐ By timing the buys and sells, we endeavor to control the risks, based on market, economic and political changes
- ☐ There are tax consequences for short-term trading wherein capital gains are taxed as ordinary income
- ☐ Alternative investment risks include lack of liquidity, volatility of returns, and lack of secondary markets

Item 9-Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel.

EAK Inc Representative Brian Guilliom has the following disclosures:

January 3, 2007-The Kentucky Department of Financial Institutions, Division of Securities (the "Division") alleged, in a complaint, a violation against the Kentucky Securities Act through improper loan arrangements with clients. The case was settled. A suspension of CFP rights ensued for two years in response to the complaint filed by Kentucky's Department of Financial Institutions. The CFP license was officially re-instated in the year 2011.

December 2009- a judgement was filed in Shelby County, Kentucky against Mr. Guilliom for the administration of an estate by the Mike Rizzo (Mr. Guilliom's Uncle, not a client) Revocable Trust for \$168,000. The lien was released shortly thereafter, following estate negotiation.

Item 10-Other Financial Industry Activities and Affiliations

EAK is not affiliated with any financial industry activities or affiliations, nor are any of its representatives. There are no broker-dealers, investment companies, insurance companies or professional organizations affiliated with our firm, and there are no other financial advisors to whom we would refer a client.

Item 11-Code of Ethics, Participation or Interest In Client Transactions, and Personal Trading

Code of Ethics

The Investment Advisory Act of 1940 imposes a fiduciary duty on all investment advisors, and as a fiduciary, EAK strives to perform and act solely in the best interest of our clients. The Code of Ethics sets forth standards of conduct expected of financial planners and it also addresses trading conflicts that may arise. The Code also requires compliance with federal securities laws for personal trading by advisory personnel. This fiduciary duty compels us to act and conduct ourselves with integrity and fairness. Our clients entrust us with their financial portfolios and their future depends on this trust. Our fiduciary duty is the main principle that makes up our Code of Ethics and trading policies, and is reflected in all actions that the company takes. Our Code of Ethics is based on the following principles.

1. The interest of the client must always be placed above the firm's or any employee's own investment interests
2. Employees will not take inappropriate advantage of their position within the firm
3. Employees are expected to conduct their personal securities transactions keeping in mind any conflicts of interest with the client
4. Employees are expected to act always in the best interest of each of our clients
5. Employees are expected to be familiar with, and to comply with any State or Federal securities regulations
6. In connection with the purchase or sale of an asset held by a client the employee will not defraud or mislead the client, or be involved in any manipulative practices with the client's assets
7. Employees will avoid conflicts of interest by fully disclosing all material facts concerning any conflict that may arise
8. If EAK or its employees buy any of the same securities, all effort is made to purchase them at the same time to avoid any possible gain or loss conflicts. We will not violate our fiduciary duty to clients in any trading transactions

A copy of our Code of Ethics is available for any client or potential clients who request it.

Item 12- Brokerage Practices

Selection or Recommendation of Broker/Dealers

If clients freely choose to implement advice through our firm, the custodian we recommend is Fidelity Investments. EAK is not affiliated with Fidelity Investments and our representatives are not registered representatives with Fidelity Investments, nor do they receive any commission or fees from recommending Fidelity funds. We recommend Fidelity no-load funds for our clients whenever possible, Fidelity also holds custody of more than 16,000 mutual funds that are not Fidelity Funds at no added charge to account holders. Many of these funds can be traded by Equity Advisors on a "No Load" basis

Soft Dollar Practices

EAK has chosen Fidelity Investments, and recommends them as the primary custodian for client funds for a few different reasons. The factors in considering the selection include a large variety of no-load funds in comparison to competitors, easy accessibility of accounts to clients via on-line platform and inexpensive trading fees.

EAK may receive compensation from Fidelity Investments in the form of research products or services (which the "Division calls "soft dollars"). Because these benefits are offered to our firm, the "Division" asserts that we may have an incentive to select or recommend Fidelity Investments based on services provided, , rather than the best interest for the client. Such research benefits might include the availability of stock and fund analysis tools on the Fidelity platform, Morningstar ratings reports, Standard and Poors consensus reports, fixed income evaluators, and on-line form tools. We do not allocate these benefits only to clients that incur their benefits, but rather, use all resources evenly for all of our clients.

EAK also may receive soft dollar compensation from Fidelity Investments for non-research services such as educational and social-related benefits. The educational benefits include invitations to attend national and regional conferences on various industry-related matters. There is usually no charge for EAK representatives to attend these events. Occasionally Fidelity pays for the travel expense related to these sessions.

EAK understands its fiduciary duty for best trading, and considers all factors in making recommendations to clients. These research services prove very useful in servicing all clients, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services.

Client Referrals from Brokers

EAK receives no referrals from other broker-dealers or representatives of Fidelity Investments. The firm does not receive any economic benefits from non-clients for its financial planning or investment trading. We do not pay any client referrals.

Directed Brokerage

Our clients may direct us to use a specified broker/dealer other than our recommended custodian (Fidelity Investments). In this event, it is up to the client to negotiate the commission rate, as EAK cannot. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through Fidelity Investments. Where the client does not otherwise designate a broker/dealer EAK recommends Fidelity Investments because of competitive commission rates.

Trade Aggregation

While individual client advice is provided by each account, client trades could be executed as a block trade. The aggregation could, on average, reduce slightly the costs of execution fees for stocks and exchange traded funds. As a company, EAK does not participate in these aggregated trades because the timing of the meetings and client permissions are scattered. We only perform trades after our quarterly reviews and when clients request funds, and then only with client permission. Each of these meetings are spread throughout the quarter's three months, and the trading follows suit.

Item 13-Review of Accounts

Reviews

EAK reviews each client portfolio once per quarter. Market conditions that might cause a wide variance in the specified asset allocation, or other mitigating factors could cause a more frequent review, or "spot check". EAK offers each asset management client a quarterly, in-person portfolio review meeting. When clients consistently decline these meetings, we suggest ending our agreement. At this meeting, the client is presented with an investment performance worksheet (IPW) that presents a snapshot of their assets, serving as an educational review for both the advisor and the client. Any changes in a client's financial situation are noted, and an economic and stock market review are presented, along with trading recommendations. The client can then either approve the trades, or request alternatives for their portfolio. Each year we also review the client's portfolio allocation mix, allowing the opportunity for change in risk/return preferences.

Reports

All clients receive the quarterly IPW from EAK, as mentioned above, and they also receive standard monthly account statements from the custodian, Fidelity Investments. In addition, we create and maintain a client financial statement, which we present to the client annually to help track changes in net worth. During the fourth quarter of each year we formulate an income tax plan to help the client minimize income tax and plan for any refunds.

Item 14- Client Referrals & Other Compensation

EAK does not use solicitors for potential client leads, nor do we accept referral fees from any other firm or individuals.

Item 15-Custody

EAK has custody of client funds in the following ways:

In some cases, usually for clients who are also friends, and at absolutely no added cost, we act as Power of Attorney for their estates, and we may be named Executor in the client's will.

A few clients have also authorized the firm to access their 401(K) or other employer retirement accounts that are not held at Fidelity. These clients receive separately prepared statements, usually on a quarterly basis. We always urge our clients to compare all custodial account statements against statements prepared by EAK for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors.

No custodian for any client assets allows on line access to accounts with transfer of assets or money to third parties. Transfers are only allowed to other accounts with registration identical to the registration of the account owner. As a result, we believe that on line access to client accounts poses absolutely no risk of loss of assets to the client. The Division, with its current definition of custody, apparently feels differently.

Item 16-Investment Discretion

EAK does not have discretion over any client accounts. A limited power of attorney, limited to the power of executing trades on a non-discretionary basis will sometimes be obtained from clients for other custodians, such as client 401(k) accounts..

EAK does not have authority to withdraw funds or to take custody of client funds or securities, other than under the terms of the Fee Payment Authorization clause in the agreement with the client.

Item 17-Voting Client Securities

EAK has the responsibility to vote proxies, unless the client requests a specific vote in a particular situation. Clients can contact us at the phone number and address listed on the first page of this document to inquire how EAK may have voted . We always try to vote proxies in the best financial and economic interest of the client, not the interest of our firm. If a material conflict arises from our voting procedures, we will seek to resolve the conflict in a timely and fair manner. These resolutions could involve documentation of the proxy, objective third party advice, or obtaining a client's consent to vote a proxy in a specific way. When requesting a client's consent, we will be certain to provide the client with adequate information so that an informed decision can be made. Situations might also arise that refraining from voting a proxy is in the client's best financial interest. A copy of our proxy voting policy is available upon request.

Item 18- Financial Information

EAK accepts no pre-payment of Asset Management fees from clients in advance of service.

EAK does not have any firm financial disclosure items in this section.

Item 19-Privacy Policy

Privacy Policy

Equity Advisors of Kentucky, Inc. (EAK), considers client privacy to be a fundamental aspect of our relationships.

We may collect, retain, and otherwise use client information for the purpose of providing planning services and meeting legal and regulatory requirements. This information may come from sources, such as the interview, account applications, your investment statements and other correspondence.

We do not disclose, sell or exchange client information with outside organizations unless it is required by law.

No private information regarding any client may be disclosed except the following: We reserve the right to disclose or report personal information where we believe that disclosure is required under law, to work with regulators or law enforcement authorities. We do reserve the right to disclose information with our employees, to the extent that they are involved or responsible for the financial planning process and also to other third parties who service and maintain client accounts, to meet legal requirements that they face. We will disclose information about these third parties to the client, should the client request so.

Finally, to further safeguard digital client information we maintain password-protected systems, updated anti-virus software and use encrypted hardware and software firewalls.

Item 20-Requirements for State Registered Advisors

A. President and managing partner- Brian Guilliom, EA, CFP

MBA business, over 40 years of business operations experience and financial planning

Certified Financial Planner since 1985, IRS Enrolled agent and tax preparer

See Disciplinary Section noted above

EAK has no other investment advisors or planners offering advice to clients

- B.** None of EAK Advisors are actively engaged in any other business other than financial planning and income tax preparation. Brian Guilliom serves as titular manager for some business entities owned by our clients.
- C.** No advisors or employees of EAK are compensated for advisory services with performance-based Fees. Please refer to Section 6 for discussion of Performance Based Fees.
- D.** No disclosure events, other than is presented above.
- E.** No relationships with issuers of securities exist.

