

**Brochure**

**Form ADV Part 2A**

**Item 1 - Cover Page**



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**FOUNTAIN FINANCIAL**  
ASSOCIATES

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**Fountain Financial Associates, Inc.**

**CRD# 174760**

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**August 22, 2018**

This Brochure provides information about the qualifications and business practices of Fountain Financial Associates, Inc. If you have any questions about the contents of this Brochure, please contact us at (910) 256-8882 or [info@fountainfinancial.net](mailto:info@fountainfinancial.net). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Fountain Financial Associates, Inc. is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Fountain Financial Associates, Inc. also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

**Item 2 - Material Changes**

This Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The Brochure requirements include the annual provision of a Summary of Material Changes (the "Summary") reflecting any material changes to our policies, practices, or conflicts of interest made since our last required "annual update" filing. In the event of any material changes, such Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on March 15, 2018. Of course the complete Brochure is available to clients at any time upon request.

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#### ***Item 4 - Advisory Business***

##### **General Information**

Fountain Financial Associates, Inc. ("FFA") was formed in 1998 (registered as an investment adviser in 2015), and provides financial planning, portfolio management, and general consulting services to its clients.

Vinton E. Fountain, III is the sole principal owner of FFA. Please see ***Brochure Supplements***, Exhibit A, for more information on Mr. Fountain and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

As of December 31, 2017, FFA managed \$384,265,616, all on a discretionary basis.

#### **SERVICES PROVIDED**

At the outset of each client relationship, FFA spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and broadly identifying major goals of the client. FFA offers financial planning services (described more fully below) to those clients in need of such service in conjunction with Portfolio Management services. Financial Planning is not generally offered as a stand-alone service or for a separate fee, but is typically provided in conjunction with the management of the portfolio.

Based on all the information initially gathered, FFA generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile" or "Profile"); and
- the client's investment objectives and guidelines (the "Investment Policy" or "Policy").

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Policy outlines the types of investments FFA will make on behalf of the client to meet those goals. The Profile and the Investment Policy are discussed regularly with each client, but are not necessarily written documents.

Finally, where FFA provides general consulting services, FFA will work with the client to prepare an appropriate summary of the specific project(s) to the extent necessary or advisable under the circumstances. However, the client is under no obligation to act upon any of the recommendations made by FFA under a consulting engagement and/or to engage the services of any recommended professional.

##### **Financial Planning**

Financial planning generally includes advice that addresses one or more areas of a client's financial situation, such as estate planning, risk management, budgeting and cash flow controls, retirement planning, education funding, and investment portfolio design. Depending on a client's particular situation, financial planning may include some or all of the following:

- Gathering factual information concerning the client's personal and financial situation;
- Assisting the client in establishing financial goals and objectives;
- Analyzing the client's present situation and anticipated future activities in light of the client's financial goals and objectives;

- Identifying problems foreseen in the accomplishment of these financial goals and objectives and offering alternative solutions to the problems;
- Making recommendations to help achieve retirement plan goals and objectives;
- Designing an investment portfolio to help meet the goals and objectives of the client;
- Providing coordination of tax planning and estate planning;
- Assessing risk and reviewing basic health, life and disability insurance needs; or
- Reviewing goals and objectives and measuring progress toward these goals.

#### Portfolio Management

As described above, at the beginning of a client relationship, FFA meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Policy. The Investment Policy will be updated from time to time when requested by the client, or when determined to be necessary or advisable by FFA based on updates to the client's financial or other circumstances.

To implement the client's Investment Policy, FFA will manage the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, FFA will have the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on FFA in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of FFA.

#### Separate Account Managers

When appropriate and in accordance with the Investment Policy for a client, FFA may recommend the use of one or more Separate Account Managers, each a "Manager". Having access to various Managers offers a wide variety of manager styles, and offers clients the opportunity to utilize more than one Manager if necessary to meet the needs and investment objectives of the client. FFA will select or recommend the Manager(s) it deems most appropriate for the client. Factors that FFA considers in recommending/selecting Managers generally include the client's stated investment objective(s), management style, performance, risk level, reputation, financial strength, reporting, pricing, and research.

The Manager(s) will generally be granted discretionary trading authority to provide investment supervisory services for the portfolio. Under certain circumstances, FFA retains the authority to terminate the Manager's relationship or to add new Managers without specific client consent. In other cases, the client will ultimately select one or more Managers recommended by FFA.

In any case, with respect to assets managed by a Manager, FFA's role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the Manager(s), and to assist the client in understanding the investments of the portfolio.

### Retirement Plan Advisory Services

Establishing a sound fiduciary governance process is vital to good decision-making and to ensuring that prudent procedural steps are followed in making investment decisions. FFA will provide Retirement Plan consulting services to Plans and Plan Fiduciaries as described below. The particular services provided will be detailed in the consulting agreement. The appropriate Plan Fiduciary(ies) designated in the Plan documents (e.g., the Plan sponsor or named fiduciary) will (i) make the decision to retain our firm; (ii) agree to the scope of the services that we will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that we may provide. The Plan Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan. Retirement Plan consulting services may be offered individually or as part of a comprehensive suite of services.

The Employee Retirement Income Security Act of 1974 ("ERISA") sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, FFA will be considered a fiduciary under ERISA. For example, FFA will act as an ERISA § 3(21) fiduciary when providing non-discretionary investment advice to the Plan Fiduciaries by recommending a suite of investments as choices among which Plan Participants may select. Also, to the extent that the Plan Fiduciaries retain FFA to act as an investment manager within the meaning of ERISA § 3(38), FFA will provide discretionary investment management services to the Plan. With respect to any account for which FFA meets the definition of a fiduciary under Department of Labor rules, FFA acknowledges that both FFA and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between FFA and Client.

### Fiduciary Consulting Services

- *Investment Selection Services*  
FFA will provide Plan Fiduciaries with recommendations of investment options consistent with ERISA section 404(c). Plan Fiduciaries retain responsibility for the final determination of investment options and for compliance with ERISA section 404(c).
- *Non-Discretionary Investment Advice*  
FFA provides Plan Fiduciaries and Plan Participants general, non-discretionary investment advice regarding assets classes and investments.
- *Investment Monitoring*  
FFA will assist in monitoring the plan's investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and FFA will make recommendations to maintain or remove and replace investment options. The details of this aspect of service will be enumerated in the engagement agreement between the parties.

### Fiduciary Management Services

- *Discretionary Management Services*  
When retained as an investment manager within the meaning of ERISA § 3(38), FFA provides continuous and ongoing supervision over the designated retirement plan assets. FFA will actively monitor the designated retirement plan assets and provide ongoing management of the assets. When applicable, FFA will have discretionary authority to make

all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in the our sole discretion without first consulting with the Plan Fiduciaries. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.

- *Discretionary Investment Selection Services*

FFA will monitor the investment options of the Plan and add or remove investment options for the Plan without prior consultation with the Plan Fiduciaries. FFA will have discretionary authority to make and implement all decisions regarding the investment options that are available to Plan Participants consistent with the Plan's Investment Policy Statement.

#### General Consulting

In addition to the foregoing services, FFA may provide general consulting services to clients. These services are generally provided on a project basis, and usually include, without limitation, minimal cash flow planning for certain events such as education expenses or retirement, estate planning analysis, income tax planning analysis and review of a client's insurance portfolio, as well as other matters specific to the client as and when requested by the client and agreed to by FFA. The scope and fees for consulting services will be negotiated with each client at the time of engagement for the applicable project.

### ***Item 5 - Fees and Compensation***

#### General Fee Information

In order to facilitate the payment of advisory fees, Managers' fees and brokerage expenses (i.e., commissions, ticket charges, etc.), FFA provides its services through the Fountain Wrap Program (the "Wrap Program"). Fee arrangements are individually determined and agreed upon based on the client's individual circumstances. In no situation will the fee arrangement exceed 2.25% per year. FFA's advisory fee and brokerage expenses of the account(s) managed directly by FFA as well as brokerage expenses and Managers' fees for any portion of the portfolio assigned to a Manager are included in the negotiated Wrap Program fee. Inasmuch as FFA pays to the broker/dealer the transaction and execution costs associated with client accounts, this can create a disincentive for FFA to trade securities in accounts.

There is no minimum portfolio value or minimum annual fee for any account. FFA may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where FFA deems it appropriate under the circumstances.

Portfolio management fees are generally payable quarterly in advance, as agreed upon with each client. Fees are prorated for cash flows exceeding \$10,000. If management begins after the start of a quarter, fees will be prorated accordingly. With client authorization, unless other arrangements are made fees are normally debited directly from client account(s). Any fees or expenses not paid within ten (10) days of the due date will accrue interest at the lessor of (a) 18% per annum or (b) the maximum interest rate allowable under applicable law.

Either FFA or the client may terminate their Investment Advisory Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account

was managed, and any fees due to FFA from the client will be invoiced or deducted from the client's account prior to termination.

The fees noted above are separate and distinct from the internal fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, FFA and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### Separate Account Manager Fees

As noted above, when the services of one or more Separate Account Managers are utilized, both the Managers' fees and the brokerage expenses of the managed account are included in the Wrap fee assessed by FFA.

#### General Consulting Fees

When FFA provides general consulting services to clients, these services are generally separate from FFA's financial planning and portfolio management services. Fees for general consulting are negotiated at the time of the engagement for such services, and are normally based on an hourly or fixed fee basis.

#### Other Compensation

Certain of FFA's employees are also Registered Representatives of Cetera Advisor Networks ("Cetera"), a FINRA and SIPC member, and registered broker/dealer and registered investment adviser. As such, they are entitled to receive commissions or other remuneration on the sale of insurance as well as other products. To protect client interests, FFA's policy is to disclose all forms of compensation before any such transaction is executed. Clients will not pay both a commission to these individuals and also pay an advisory fee to FFA on the same pool of assets. These fees are exclusive of each other.

As a result of this relationship, Cetera may have access to certain confidential information (e.g., financial information, investment objectives, transactions, and holdings) about FFA clients, even if the client does not establish any account through Cetera. If you would like a copy of Cetera's privacy notice, please contact FFA.

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

FFA does not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because FFA has no performance-based fee accounts, it has no side-by-side management.

### ***Item 7 - Types of Clients***

FFA serves individuals, high net worth individuals, pension and profit-sharing plans, corporations, and charitable organizations. FFA does not generally impose a minimum portfolio value for conventional investment advisory services or a minimum fee.

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

### **Methods of Analysis**

In accordance with the Investment Policy, FFA will primarily invest in mutual funds, ETFs, and individual bonds, and may recommend or select Separate Account Managers as appropriate. In some cases FFA may agree to hold legacy positions in individual stocks as an accommodation for a client's tax or other circumstances, but FFA does not generally select or actively manage individual stocks.

Mutual funds, ETFs and Separate Account Managers are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. FFA will generally evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

### **Investment Strategies**

FFA's strategic approach is to invest each portfolio in accordance with the Policy that has been developed specifically for each client. FFA focuses on long-term investing, in which securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Active Trading (i.e., short term purchases) may be utilized to take advantage of the securities' short term price fluctuations or for tax purposes.

FFA's clients may choose to utilize margin transactions. A margin transaction is a securities transaction in which an investor borrows money to purchase a security, and the security serves as collateral on the loan.

Finally, FFA's clients may engage in options trading/writing. This strategy involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

### **Risk of Loss**

While FFA seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Policy in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While FFA manages client investment portfolios, or recommends one or more Managers, based on FFA's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that FFA



or a Manager allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that FFA's specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, FFA or a Manager(s) may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Equity Market Risks.* FFA and any Manager(s) will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* FFA and any Manager(s) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* FFA and any Manager(s) may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

*Options Risk.* A small investment in options could have a potentially large impact on an investor's performance. The use of options involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that a hedging technique will fail if changes in the value of a derivative held by an investor do not correlate with the securities being hedged.

### ***Item 9 - Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of FFA or the integrity of FFA's management. FFA has no disciplinary events to report.

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

Certain of FFA's employees are also Registered Representatives of Cetera Advisor Networks (Cetera), a FINRA and SIPC member, and registered broker/dealer and registered investment adviser. Please see ***Item 5 – Fees and Compensation*** for more information.

From time to time, FFA provides financial seminars on investing topics at no cost to clients and prospective clients of FFA. Certain expenses associated with a seminar (e.g., refreshments, presentation materials, venue costs, etc.) may be paid for by a mutual fund company or insurance company. Due to receipt of the foregoing benefits, FFA has a conflict of interest if they recommend such companies' products and services. FFA addresses this issue by providing the seminar attendees disclosure of these arrangements when applicable.

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

#### Code of Ethics and Personal Trading

FFA has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. FFA's Code has several goals. First, the Code is designed to assist FFA in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, FFA owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with FFA (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for FFA's associated persons. Under the Code's Professional Standards, FFA expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, FFA associated persons are not to take inappropriate advantage of their positions in relation to FFA clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time FFA's associated persons may invest in the same securities recommended to clients. Under its Code, FFA has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

Because client accounts are invested almost exclusively in open-end mutual funds and ETFs, there is little opportunity for a conflict of interest between personal trades by FFA's associated persons and trades in client accounts, even when such accounts invest in the same securities. However, in

the event of other identified potential trading conflicts of interest, FFA's goal is to place client interests first.

Consistent with the foregoing, FFA maintains policies regarding participation in initial public offerings ("IPOs") and private placements to comply with applicable laws and avoid conflicts with client transactions. If a FFA associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with FFA's written policy.

### ***Item 12 - Brokerage Practices***

#### **Best Execution and Benefits of Brokerage Selection**

When given discretion to select the brokerage firm that will execute orders in client accounts, FFA seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, FFA may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of FFA's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

FFA participates in the Fidelity Institutional Wealth Services ("FIWS") program. While there is no direct link between the investment advice FFA provides and participation in the FIWS program, FFA receives certain economic benefits from the FIWS program. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of FFA's fees from its clients' accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of FFA's accounts, including accounts not held at Fidelity. Fidelity may also make available to FFA other services intended to help FFA manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Fidelity may make available, arrange and/or pay for these types of services to be rendered to FFA by independent third parties. Fidelity may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to FFA, and/or Fidelity may pay for travel expenses relating to participation in such training. Finally, participation in the FIWS program provides FFA with access to mutual funds which normally require significantly higher minimum initial investments or are normally available only to institutional investors.

The benefits received through participation in the FIWS program do not necessarily depend upon the proportion of transactions directed to Fidelity. The benefits are received by FFA, in part because of commission revenue generated for Fidelity by FFA's clients. This means that the investment activity in client accounts is beneficial to FFA, because Fidelity does not assess a fee to

FFA for these services. This creates an incentive for FFA to continue to recommend Fidelity to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, FFA believes that Fidelity provides an excellent combination of these services. These services are not soft dollar arrangements, but are part of the institutional platform offered by Fidelity.

#### Directed Brokerage

FFA does not generally allow directed brokerage accounts.

#### Aggregated Trade Policy

FFA typically directs trading in individual client accounts as and when trades are appropriate based on the client's Investment Policy, without regard to activity in other client accounts. When client accounts require rebalancing to meet their Investment Policy objectives, those trades will be directed individually and the purchase or sale price of a security may vary by account. However, from time to time, FFA may aggregate trades together for multiple client accounts, most often when these accounts are being directed to sell the same securities. If such an aggregated trade is not completely filled, FFA will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by FFA or its officers, directors, or employees will be excluded first.

#### ***Item 13 - Review of Accounts***

Managed portfolios are reviewed at least annually, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by FFA. These factors generally include, but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. Vinton Fountain, FFA's President, Buck Beam and Chris Riley, FFA's Vice Presidents and Brice Gibson, Financial Advisor all review accounts.

For those clients to whom FFA provides separate consulting services, reviews are conducted on an as needed or agreed upon basis. Such reviews are conducted by one of FFA's investment adviser representatives or principals.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. In addition, FFA provides at least a quarterly report for each managed portfolio. This written report normally includes a summary of portfolio holdings and performance results. Additional reports are available at the request of the client.

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

As noted above, FFA receives an economic benefit from Fidelity in the form of support products and services it makes available to FFA and other independent investment advisors whose clients maintain accounts at Fidelity. These products and services, how they benefit our firm, and the related conflicts of interest are described in ***Item 12 - Brokerage Practices***. The availability of Fidelity's products and services to FFA is based solely on our participation in the programs and not in the provision of any particular investment advice.

From time to time, FFA may enter into arrangements with third parties ("Solicitors") to identify and refer potential clients to FFA. Consistent with legal requirements under the Investment Advisers Act of 1940, as amended, FFA enters into written agreements with Solicitors under which, among other things, Solicitors are required to disclose their compensation arrangements to prospective clients before such clients enter into an agreement with FFA.

#### ***Item 15 - Custody***

Fidelity is the custodian of nearly all client accounts at FFA. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify FFA of any questions or concerns. Clients are also asked to promptly notify FFA if the custodian fails to provide statements on each account held.

From time to time and in accordance with FFA's agreement with clients, FFA will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

#### ***Item 16 - Investment Discretion***

As described above under ***Item 4 - Advisory Business***, FFA manages portfolios on a discretionary basis. This means that after an Investment Policy is developed for the client's investment portfolio, FFA will execute that Policy without specific consent from the client for each transaction. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving FFA the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. FFA then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with FFA and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between FFA and the client.

#### ***Item 17 - Voting Client Securities***

As a policy and in accordance with FFA's client agreement, FFA does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact FFA with questions relating to proxy procedures and proposals; however, FFA generally does not research particular proxy proposals.

#### ***Item 18 - Financial Information***

FFA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure with respect to this item.

# EXHIBIT A

**Brochure Supplement**

**Form ADV Part 2B**

**Item 1 - Cover Page**



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**FOUNTAIN FINANCIAL**  
**ASSOCIATES**

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**Vinton E. Fountain, III**

**CRD# 2951777**

**of**

**Fountain Financial Associates, Inc.**

1209 Culbreth Drive

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Wilmington, North Carolina 28405

(910) 256-8882

[www.fountainfinancial.net](http://www.fountainfinancial.net)

**August 22, 2018**

This Brochure Supplement provides information about Vinton Fountain, and supplements the Fountain Financial Associates, Inc. ("FFA") Brochure. You should have received a copy of that Brochure. Please contact us at (910) 256-8882 if you did not receive FFA's Brochure, or if you have any questions about the contents of this Supplement.

Additional information about Vinton is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Vinton E. Fountain, III (year of birth 1958) is President of FFA and also serves as the firm's Chief Compliance Officer. With more than 31 years of experience in the financial services industry, Vinton specializes in solving problems and providing financial advice for successful individuals.

In 1998, Vinton formed Fountain Financial Associates, Inc. which operated under the umbrella of a registered investment adviser, Cetera Advisors Network, LLC (formerly known as, Financial Network Investment Corporation), until FFA registered independently in 2015.

Vinton earned a BA from North Carolina State University. Prior to that, he graduated from Virginia Episcopal School in Lynchburg, Virginia. He has successfully taken the Series 7 (General Securities Representative), Series 66 (Uniform Combined State Law), and Series 24 (General Securities Principal) examinations.

As a professional with significant experience on financial topics, Vinton has contributed articles to the Wilmington Star News and Greater Wilmington Business, has been featured on WWAY for investment perspective, and his views have been published in the book, "Successful Financial Planners" by Allen Duck.

Vinton is an active participant in his community, having served in a leadership capacity on numerous boards including the Greater Wilmington Chamber of Commerce, Wilmington Industrial Development, YMCA, Cape Fear United Way, Cape Fear Academy, and the Advisory Board for the UNCW Watson School of Education. He has been an officer for Rotary International, the Wilmington Executive Club, and an elder for the First Presbyterian Church. Vinton is a member of the Investors Roundtable and the Coastal Entrepreneurial Council.

Vinton is from Tarboro, NC. Vinton and his wife, Clayton, currently live in Wilmington with their three daughters, Clayton, Mary Grigg and Perry. Together, they enjoy boating, travel and sports.

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Vinton has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

Vinton is also a Registered Representative of Cetera Advisor Networks, LLC ("Cetera"), an SEC registered broker/dealer, registered investment adviser and member of FINRA and SIPC. As a Registered Representative, he is entitled to receive commissions or other remuneration on the sale of insurance and other products. To protect client interests, FFA's policy is to fully disclose all forms of compensation before any such transaction is executed. Clients will not pay both a commission to Vinton and also pay an advisory fee to FFA on the same pool of assets. These fees are exclusive of each other.

### ***Item 5 - Additional Compensation***

Other than as stated above, Vinton is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

### ***Item 6 - Supervision***

Vinton is the President and majority owner of FFA and also serves as Chief Compliance Officer. Buck Beam and Christopher Riley are Vice Presidents and part owners of FFA. Brice Gibson is an Investment Advisor. All serve on the investment committee.



Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Vinton is responsible for providing compliance oversight to the staff. He also participates as a team member in the investment and trading processes, and may be contacted at (910) 256-8882.

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**FOUNTAIN FINANCIAL**  
ASSOCIATES

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**Francis M. Beam, III**

**CRD# 4339625**

**of**

**Fountain Financial Associates, Inc.**

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**August 22, 2018**

This Brochure Supplement provides information about Francis ("Buck") Beam, and supplements the Fountain Financial Associates, Inc. ("FFA") Brochure. You should have received a copy of that Brochure. Please contact us at (910) 256-8882 if you did not receive FFA's Brochure, or if you have any questions about the contents of this Supplement.

Additional information about Buck is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Francis M. Beam, III (year of birth 1977) became Vice President of FFA in 2010. When Buck first joined FFA in 2005, FFA operated under the umbrella of a registered investment adviser, Cetera Advisors Network, LLC (formerly known as, Financial Network Investment Corporation), until FFA registered independently in 2015. Buck brings to the firm a background in retirement, business succession and estate planning.

Prior to joining Fountain Financial Associates, Buck was a managing director for Northwestern Mutual Financial Network from 2001 where he specialized in helping owner families of closely held corporations with estate and succession planning. He is a graduate of Appalachian State's Walker College of Business with a double major in Finance and Risk Management.

Outside of the office, Buck focuses his community involvement on issues facing young people. He serves as a director for Communities in Schools of Cape Fear and Smile for a Lifetime. In the past, Buck has served on the board and/or committees of other community and industry organizations including the North Carolina Azalea Festival, Junior Achievement, Wilmington Children's Museum, and Appalachian State University's Richard S. Brantley Risk & Insurance Center. Buck and his wife Caroline have two sons, Beau and Wayland.

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Buck has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

Buck is also a Registered Representative of Cetera Advisor Networks, LLC ("Cetera"), an SEC registered broker/dealer, registered investment adviser and member of FINRA and SIPC. As a Registered Representative, he is entitled to receive commissions or other remuneration on the sale of insurance and other products. To protect client interests, FFA's policy is to fully disclose all forms of compensation before any such transaction is executed. Clients will not pay both a commission to Buck and also pay an advisory fee to FFA on the same pool of assets. These fees are exclusive of each other.

### ***Item 5 - Additional Compensation***

Other than as stated above, Buck is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

### ***Item 6 - Supervision***

Buck is a Vice President and part owner of FFA. Vinton Fountain is the President and majority owner of FFA and also serves as Chief Compliance Officer. Christopher Riley is also a Vice President and part owner of FFA. Brice Gibson is an Investment Advisor. All serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Vinton is responsible for providing compliance oversight to the staff. He also participates as a team member in the investment and trading processes, and may be contacted at (910) 256-8882.

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**FOUNTAIN FINANCIAL**  
**ASSOCIATES**

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**Christopher M. Riley, CFP®**  
**CRD# 2463351**

**of**

**Fountain Financial Associates, Inc.**

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**August 22, 2018**

This Brochure Supplement provides information about Christopher Riley, and supplements the Fountain Financial Associates, Inc. ("FFA") Brochure. You should have received a copy of that Brochure. Please contact us at (910) 256-8882 if you did not receive FFA's Brochure, or if you have any questions about the contents of this Supplement.

Additional information about Christopher is available on the SEC's website at  
[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Christopher M. Riley (year of birth 1966) originally joined FFA in 2006 and was named Vice President in 2016. When Christopher first joined FFA in 2006, FFA operated under the umbrella of

a registered investment adviser, Cetera Advisors Network, LLC (formerly known as, Financial Network Investment Corporation), until FFA registered independently in 2015.

Christopher is a CERTIFIED FINANCIAL PLANNER™\* with more than 20 years of experience in the financial services industry. Christopher specializes in solving problems and providing experienced financial advice for successful individuals.

Christopher graduated from Woodberry Forest School before earning his BA in Economics/Political Science from The University of North Carolina at Chapel Hill. He has successfully taken the following exams: Series 7 (General Securities Representative), 9/10 (General Securities Sales Supervisor-Options/General Module), 24 (General Securities Principal), 63 (Uniform Securities Agent State Law), 65 (Uniform Investment Adviser Law), and is insurance licensed in life, health and long term care. He also achieved the \*CFP® designation in 2004.

Christopher has been an active participant in the community. He has served in numerous capacities including President of Rotary, Chamber of Commerce and YMCA Boards of Directors, Jaycees President, Good Shepherd Ministries, Children's Home Society, Children's Museum of Wilmington Boards and Financial Planning Association. He is an active member of St. Andrews Covenant Presbyterian in Wilmington.

Christopher is originally from Salisbury, North Carolina. Chris is married to Stephanie Gray, and they have five children: Maggie, Deuce, Anne Finley, Charleigh Gray and Braxton. Together they enjoy many active outdoor sports, traveling and spending time with nearby family.

\*The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination, experience and ethics requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. A comprehensive examination tests the candidate's ability to apply financial planning knowledge to client situations. Qualifying work experience is also required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process. CFP® professionals must complete 30 hours of continuing education accepted by CFP Board every two years.

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Christopher has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

Christopher is also a Registered Representative of Cetera Advisor Networks, LLC ("Cetera"), an SEC registered broker/dealer, registered investment adviser and member of FINRA and SIPC. As a Registered Representative, he is entitled to receive commissions or other remuneration on the sale of insurance and other products. To protect client interests, FFA's policy is to fully disclose all forms of compensation before any such transaction is executed. Clients will not pay both a

commission to Christopher and also pay an advisory fee to FFA on the same pool of assets. These fees are exclusive of each other.

***Item 5 - Additional Compensation***

Other than as stated above, Christopher is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

***Item 6 - Supervision***

Christopher is a Vice President and part owner of FFA. Vinton Fountain is the President and majority owner of FFA and also serves as Chief Compliance Officer. Buck Beam is also a Vice President and part owner of FFA. Brice Gibson is an Investment Advisor. All serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

Vinton Fountain, President and Chief Compliance Officer of FFA, is responsible for compliance oversight of Christopher and for reviewing accounts. Vinton can be reached at (910) 256-8882.

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**FOUNTAIN FINANCIAL**  
**ASSOCIATES**

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**Brice S. Gibson**

**CRD# 6026286**

**of**

**Fountain Financial Associates, Inc.**

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**August 22, 2018**

This Brochure Supplement provides information about Brice Gibson, and supplements the Fountain Financial Associates, Inc. ("FFA") Brochure. You should have received a copy of that Brochure. Please contact us at (910) 256-8882 if you did not receive FFA's Brochure, or if you have any questions about the contents of this Supplement.

Additional information about Brice is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Brice S. Gibson (year of birth 1981) joined FFA in 2015 as an Investment Advisor. Brice worked for Edward Jones as a Financial Advisor from 2012 until joining FFA. From 2007 to 2012, Brice was the Managing Partner for Carolina Storage Associates also known as E-Z Box Portable Storage.

Brice earned his BS in Parks, Recreation, and Tourism Management from North Carolina State University in 2005. He has successfully taken the following exams: Series 7 (General Securities Representative) and 66 (Uniform Combined State Law).

***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Brice has no such disciplinary information to report.

***Item 4 - Other Business Activities***

Brice is also a Registered Representative of Cetera Advisor Networks, LLC ("Cetera"), an SEC registered broker/dealer, registered investment adviser and member of FINRA and SIPC. As a Registered Representative, he is entitled to receive commissions or other remuneration on the sale of insurance and other products. To protect client interests, FFA's policy is to disclose all forms of compensation before any such transaction is executed. Clients will not pay both a commission to Brice and also pay an advisory fee to FFA on the same pool of assets. These fees are exclusive of each other.

***Item 5 - Additional Compensation***

Other than as stated above, Brice is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

***Item 6 - Supervision***

Brice is an Investment Advisor with FFA. Vinton Fountain is the President and majority owner of FFA and also serves as Chief Compliance Officer. Buck Beam and Chris Riley are Vice Presidents and part owners of FFA. All serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

Vinton Fountain, President and Chief Compliance Officer of FFA, is responsible for compliance oversight of Brice and for reviewing accounts. Vinton can be reached at (910) 256-8882.



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**FOUNTAIN FINANCIAL**  
**ASSOCIATES**

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**Robert F. Warwick**

**CRD# 4574980**

**of**

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**August 22, 2018**

This Brochure Supplement provides information about Robert F. ("Bob") Warwick, and supplements the Fountain Financial Associates, Inc. ("FFA") Brochure. You should have received a copy of that Brochure. Please contact us at (910) 256-8882 if you did not receive FFA's Brochure, or if you have any questions about the contents of this Supplement.

Additional information about Bob is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Robert F. Warwick (year of birth 1936) joined FFA in 2018 as an Investment Advisor Representative and Business Development Associate. Bob worked for RSM US LLP (and its predecessor firms) in various capacities from 1958 until joining FFA.

Bob earned his Bachelor of Business Administration degree from the University of North Carolina at Chapel Hill in 1958. He is also a Personal Financial Specialist ("PFS")\*, with over 60 years of experience in the financial services industry.

\*The PFS designation is granted exclusively to CPAs with the combination of extensive tax expertise and comprehensive knowledge of personal financial planning. The requirements for the PFS credential are established by the PFP (Personal Financial Planning) staff at the AICPA (American Institute of CPAs), the National Accreditation Commission, along with the PFS Credential Committee, and accurately reflect the depth and breadth of experience and technical expertise required to obtain this credential. The 5 major requirements are: (1) Obtain CPA licensure (2) join the AICPA and be a member in good standing (3) complete a comprehensive Personal Financial Planning (PFP) education, consisting of a minimum of 80 hours of PFP training and education within the five year period preceding the date of the PFS application (4) fulfill 3,000 hours of personal financial planning business experience and (5) pass a PFS examination.

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Bob has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

Bob is a Managing Member of Warwick Farms, LLC as well as a Trustee for several Trusts and one individual. He is a Director for the Bruce Barclay Cameron Foundation, the Cape Fear Memorial Foundation, and the Don Watson Foundation (UNC Wilmington). Bob owns RFW Consulting, LLC, a business consulting firm.

### ***Item 5 - Additional Compensation***

Other than as stated above, Bob is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

### ***Item 6 - Supervision***

Bob is an Investment Advisor with FFA. Vinton Fountain is the President and majority owner of FFA and also serves as Chief Compliance Officer. Buck Beam and Chris Riley are Vice Presidents and part owners of FFA. All serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

Vinton Fountain, President and Chief Compliance Officer of FFA, is responsible for compliance oversight of Bob and for reviewing accounts. Vinton can be reached at (910) 256-8882.