

**Checks & Balances, Inc.** [www.thefamilyoffices.com](http://www.thefamilyoffices.com)

**2675 Paces Ferry Rd, SE, Suite 150, Atlanta, GA 30339**

**Phone: (404) 233-0560**

**Fax: (404) 233-0580**

**[fran@thefamilyoffices.com](mailto:fran@thefamilyoffices.com)**

**1/8/2024**

## **FORM ADV PART 2 BROCHURE**

**This brochure provides information about the qualifications and business practices of Checks & Balances, Inc. If you have any questions about the contents of this brochure, please contact us at (404) 233-0560 or [fran@thefamilyoffices.com](mailto:fran@thefamilyoffices.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Checks & Balances, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Checks & Balances, Inc. is 112145.**

**Checks & Balances, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**



Checks & Balances, Inc.  
Form ADV Part 2A  
Brochure

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**Material Changes:**

None

## Table of Contents

<b><i>Advisory Business.....</i></b>	<b><i>4</i></b>
<b><i>Fees and Compensation .....</i></b>	<b><i>5</i></b>
<b><i>Performance-Based Fees and Side-By-Side Management .....</i></b>	<b><i>6</i></b>
<b><i>Types of Clients .....</i></b>	<b><i>7</i></b>
<b><i>Methods of Analysis, Investment Strategies and Risk of Loss.....</i></b>	<b><i>8</i></b>
<b><i>Disciplinary Information.....</i></b>	<b><i>9</i></b>
<b><i>Other Financial Industry Activities and Affiliations .....</i></b>	<b><i>10</i></b>
<b><i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</i></b>	<b><i>11</i></b>
<b><i>Brokerage Practices .....</i></b>	<b><i>12</i></b>
<b><i>Review of Accounts.....</i></b>	<b><i>14</i></b>
<b><i>Client Referrals and Other Compensation .....</i></b>	<b><i>16</i></b>
<b><i>Custody .....</i></b>	<b><i>17</i></b>
<b><i>Investment Discretion .....</i></b>	<b><i>18</i></b>
<b><i>Voting Client Securities .....</i></b>	<b><i>19</i></b>
<b><i>Financial Information.....</i></b>	<b><i>20</i></b>

## Advisory Business

Form ADV Part 2A, Item 4

Checks & Balances, Inc. was formed in 1987 to run “family offices” for wealthy individuals. The business is now largely maintained to support the families of the principals, Starr Moore and Fran Rogers. Most of the accounts, and a very large percentage of the revenue, relate to either the family of Starr Moore or Fran Rogers. Fran Rogers is the only employee of the firm and thus the only one authorized to perform investment advisory services.

Starr Moore, a graduate gemologist, was born in 1946 and obtained her Bachelor of Arts degree from Hollins College and a Master of Arts degree from New York University. Starr has been a principal with Checks & Balances, Inc since its formation in 1987 and she is a principal of Starr Moore & Associates, a jewelry design firm.

Frances G. Rogers was born in 1961 and obtained a Bachelor of Science degree in Economics from the Georgia Institute of Technology. She holds the CFP and CFA designations and has passed the Series 65 (Uniform Investment Adviser Law Examination). Prior to forming Checks & Balances in 1987, she worked for an investment counseling firm for 6 years.

*CFP is short for Certified Financial Planner. This designation is issued by the Certified Financial planner Board of Standards, Inc. (CFPBS) and is granted to individuals who complete the CFP Certification Examination and meet the following prerequisites: bachelor's degree from an accredited college or university and three years of full time personal financial planning experience. Once issued, certificate holders are required to complete 30 hours of continuing education every two years and must continuously meet the standards administered by CFPBS.*

*CFA is short for Chartered Financial Analyst. This designation is issued by the CFA Institute and is granted to individuals who meet one of the following prerequisites: possess an undergraduate degree and four years of professional experience investment decision making; or four years qualified work experience. The candidate is required to follow a self-study program involving 250 hours of study for each of the following three disciplines: Level One: Ethics & Professional Standards; Level Two: Investment Tools & Asset Classes; and Level Three: Portfolio Management & Wealth Planning. Once the designation is issued (upon successfully passing exams on all Levels), no further continuing education is required.*

Checks & Balances, Inc. provides investment advisory and financial planning services to clients. Our principal focus is to invest our clients' funds to achieve long-term capital appreciation utilizing exchange-listed, over-the counter, and foreign-issuer securities; corporate debt securities; municipal securities; United States government securities; mutual fund shares; and exchange traded funds. We do not trade securities on margin or short individual securities, though we may purchase exchange traded funds that are, in essence, the equivalent of shorting an asset class. Our investment decisions are generally made using fundamental and cyclical analysis. The main sources of information are financial newspapers and magazines, annual reports and prospectuses, inspection of corporate activities, company press releases, and filings with the SEC.

Checks & Balances, Inc. tailors advisory services to the individual needs of its clients. Clients may impose restrictions on investing and have lots of input in the investment management process.

Checks & Balances, Inc. does not participate in any wrap fee programs.

All of the money managed by Checks & Balances, Inc. is on a discretionary basis. As of 12/31/2023, Checks & Balances managed \$237,872,888 in marketable and alternative securities. Of this amount, \$193,980,906 (82%) is related to accounts belonging to the families of either Starr Moore or Fran Rogers. We are no longer investing in alternatives so they are "rolling off."

### ***Fees and Compensation***

Form ADV Part 2A, Item 5

Checks & Balances, Inc. is compensated for advisory services based upon a percentage of the market value at the end of each quarter. Fees are paid for in arrears.

Fees are negotiable, primarily determined by the size and nature of the account. Given fees are negotiable and vary by account, it is difficult to provide a fee schedule. However, in no case do fees exceed 65bp per year for equities, and 20 bp for other asset classes. A lot of family accounts do not pay fees.

**Checks & Balances, Inc. does not accept new clients and thus there is no published fee schedule.**

Clients determine the way they pay their fees (by check or automatic draft). Fees are paid quarterly, in arrears. In some cases fees are deducted from their brokerage accounts on a quarterly basis as reports are prepared and distributed. In cases where fees are automatically deducted, clients are given, in writing, the amount of the fee, with supporting calculations, that support the amount being deducted.

In addition to money management fees paid to Checks & Balances, Inc., clients may pay other fees in connection with our services. These include, but may not be limited to: brokerage commissions (though Schwab has reduced most commissions to zero), SEC fees on sale of securities, wire transfer fees, mutual fund expenses, or checking-related charges. Checks & Balances, Inc. works with client to keep fees to a minimum.

Clients are not allowed to pay any fees in advance.

Money management services are only provided by Fran Rogers. She does not accept compensation for the sale of securities or other investment products. Checks & Balances is a fee only manager as described above.

Checks & Balances, Inc. derives 100% of *its investment advisory fees* from a percentage of assets under management. No fees are earned from commissions or selling investment products. Checks & Balances, Inc. does not charge commissions or markups.

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

Form ADV Part 2A, Item 6

Checks & Balances, Inc. does not accept any performance based fees.

### ***Types of Clients***

Form ADV Part 2A, Item 7

As noted above, most of the Checks & Balances, Inc. clients are related to either Starr Moore or Fran Rogers. Our accounts include retirement accounts, individual accounts, foundations, trusts, and corporations. There are no minimum requirements for an account size. New accounts may be opened if they relate to an existing client or family. Otherwise, Checks & Balances is not accepting new investment advisory clients.

### ***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

Checks & Balances, Inc. manages money utilizing individual stocks, bonds, mutual funds, or exchange traded funds. In some cases, alternative assets are used (private equity securities and funds, real estate, etc.). A lot of attention is paid to asset allocation and diversification. Portfolios are “adjusted” based upon individual client needs as well as relative valuation of assets across various asset classes.

In an attempt to minimize risk, analysis is performed on portfolios to understand sector weights, country weights, equity size and style, fixed income quality, etc. Portfolios are managed based upon individual client objectives.

Clients are reminded that investing in securities involves risk of loss.

Our investment decisions are made primarily using fundamental and cyclical analysis. The main sources of information are financial newspapers and magazines, annual reports and prospectuses, company press releases, and SEC filings.

Checks & Balances, Inc. does not utilize a specific investment strategy, or method of analysis, that might lead to frequent trading of securities. Securities are generally purchased for the long term and thus turnover is low. Diversification is a key component of our management process.



## ***Disciplinary Information***

Form ADV Part 2A, Item 9

**Checks & Balances, Inc., nor any of its employees, have ever been the subject of any disciplinary action. To be more specific:**

Checks & Balances, Inc., nor any of its employees, have ever been convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses .

Checks & Balances, Inc., nor any of its employees, have been named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

Checks & Balances, Inc., nor any of its employees, have been found to have been involved in a violation of an investment-related statute or regulation; or was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

Checks & Balances, Inc., or any employee, has never had an administrative proceeding before the SEC, or any other federal regulatory agency, any state regulatory agency, or an foreign financial regulatory authority whereby it was found to (1) have caused an investment-related business to lose its authorization to do business; or (2) was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business; (b) barring or suspending your firm's or a management person's association with an investment-related business; (c) otherwise significantly limiting your firm's or a management person's investment-related activities; or (d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

Checks & Balances, Inc., nor any of its employees have ever been subject to a self-regulatory organization proceeding in which the firm or a management employee was found to have caused an investment-related business to lose its authorization to do business or found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

Checks & Balances, Inc., nor any of its employees, are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Checks & Balances, Inc., nor any of its employees, are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Checks & Balances, Inc., nor any of its employees, have a relationship or arrangement that is material to our advisory business with any of the institutions or individuals below:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

Checks & Balances does **not** recommend or select other investment advisers for our clients or receive compensation directly or indirectly from any other adviser.

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

Form ADV Part 2A, Item 11

Checks & Balances, Inc. has a duty of utmost good faith to act solely in the best interests of each of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all of our dealings. This fiduciary duty is the core principle underlying our Code of Ethics and Personal Trading Policy (both policies available upon request), and represents the expected basis of all of our dealings with our clients. All employees are required to be bound, by and subscribe to, the Checks & Balances, Inc. Code of Ethics and Personal Trading Policy. When Checks & Balances, Inc. exited all but the money management business, Fran Rogers became the only employee and the only person with access to client accounts.

All employees sign statements regarding prohibition against the use of material nonpublic information and are expected to exercise diligence and care in maintaining and protecting client's nonpublic, confidential information. In addition, employees are trained in procedures to safeguard client information (such as the appropriate use of shredders, locks, passwords, etc.).

Checks & Balances does not allow purchase or sells for client accounts, securities in which we, or any of our employees, have a material financial interest.

At least 82% of the money managed by Checks & Balances, Inc. is for accounts related to the principals. Many publicly traded security purchases are bought at the same time for clients, both family related and otherwise. When practical, client trades in the same security will be bunched in a single order (block) in an effort to obtain the best execution at the best security price available. When employing a block trade we will attempt to fill client orders by the end of the day. If a block order is not filled by the end of the day, Fran Rogers will allocate shares executed to underlying accounts on a pro rata basis, adjusted as necessary to keep client transaction costs to a minimum and in accordance with specific account guidelines. Nonrelated clients are given priority over family related accounts.

While Fran Rogers is the only person responsible for investment advisory functions, and her trading policies are handled as referenced above, if there are any other employees, they are required to submit quarterly personal transaction reports related to trading in their investment accounts.

### ***Brokerage Practices***

Form ADV Part 2A, Item 12

Checks & Balances, Inc. does not engage in any soft dollar arrangements.

Checks & Balances, Inc. does not pay for research utilizing client commissions or obtain any products or services at the expense of our clients.

Checks & Balances, Inc. does not have an incentive to select or recommend a broker-dealer. All clients utilize discount brokers.

Checks & Balances, Inc. does not engage in any activity that would cause a client to pay commissions in return for soft dollar, or any other benefit.

Checks & Balances, Inc. does not accept new clients and has never received client referrals from a broker dealer or third party.

Our clients, the majority of whom are related parties, utilize Charles Schwab as their custodian, and this was at the recommendation of Checks & Balances, Inc. The relationship is driven by our institutional relationship with the firm that provides low (or no) commission rates to our clients, a high level of customer service, and good execution practices. Schwab, like other brokerage firms, have web based systems for trading, on-line account access, and research. We do not believe this relationship creates any conflict of interest.

We do not take new clients and thus do not anticipate any problems concerning directed brokerage accounts. If the issue arises, Checks & Balances, Inc. would explain any potential increases in costs that might pertain to clients who wish to direct their trades to a specific brokerage.

When necessary, Checks & Balances, Inc. places block trades at Charles Schwab. The securities purchased or sold are then allocated to specific clients, with each client paying or receiving the same price.

## ***Review of Accounts***

Form ADV Part 2A, Item 13

Fran Rogers is responsible for review of all client accounts and financial planning.

Account investment activity is downloaded each business day into client accounts. These records are reviewed on an ongoing basis. Statements are formally balanced monthly, but software allows accounts to be reconciled on a continuous basis.

Clients receive detailed, written, quarterly reports for each of their investment advisory accounts. In some cases, depending upon unexpected performance, shifting market conditions, or changing client preferences or circumstances, reports may be distributed more often.

Clients receive a brokerage statement from the custodian on a monthly basis. Clients are encouraged to reconcile brokerage statements to reports prepared by Checks & Balances, Inc. Clients quarterly receive a detailed investment report from Checks & Balances detailing many aspects of their investment portfolios. These aspects include, but are not limited to: asset allocation, sector and style analysis, account performance, income and expenses, purchases and sales, realized gains and losses, and management fees.

Clients are encouraged to have quarterly, in-person, meetings with Fran Rogers to discuss their investment accounts.

Clients can also access their account information directly from their custodian utilizing Internet resources.

***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

Checks & Balances, Inc. does not have any arrangements whereby someone provides an economic benefit to the firm for providing investment advice or other advisory services to our clients.

Checks & Balances, Inc. does not accept new clients, outside of family members, and has never compensated anyone for client referrals.

Checks & Balances, Inc. is only compensated by a percent of assets under money management as described on page 2. Money management fees are determined solely by the market value of accounts at the end of each quarter multiplied by the applicable fee percentage and are always paid in arrears.



### ***Custody***

Form ADV Part 2A, Item 15

Checks & Balances does not have custody of investment advisory accounts that are not related to either Starr or Fran (nonrelated accounts).

Any transactions in nonrelated investment advisory accounts, other than purchase and sale of securities, must be initiated by the client.

In all cases, whether related or nonrelated, clients receive statements directly from the custodian. Checks & Balances does not custody assets. Clients are encouraged to compare the statements they receive from their custodians to those prepared by Checks & Balances, Inc.

***Investment Discretion***

Form ADV Part 2A, Item 16

Checks & Balances, Inc. has authority to purchase securities on a discretionary basis. Clients do not generally place limitations on this authority. A brokerage trading authorization form is executed to allow such trading. In no cases can Checks & Balances, Inc. withdraw or transfer client funds (except for drafting of management fees). The authorization pertains to investment decisions only.

## Voting Client Securities

Form ADV Part 2A, Item 17

**Voting Procedures:** When clients open brokerage accounts they have the ability to ask Checks & Balances to vote their proxies or to receive the information themselves. Clients are notified that our Voting Policies and Procedures are available upon request. Checks & Balances tends to own ETF's which do not have voting rights.

If a client wishes to direct us to vote their shares in a particular manner, that direction would be followed. If Checks & Balances determined a voting conflict of interest exists, or might exist, we would refer the proxy to the client, or a representative of the client, for voting purposes, or disclose the conflict and seek their consent to vote the proxy prior to casting the vote.

If a client chooses to vote their own proxies, they would receive solicitation directly from their custodians.

*Checks & Balances, Inc will generally support management's recommendations on proxy issues, since management's ability is a key factor we consider in selecting equity securities for client portfolios. However, when we believe the company's management is acting in an inconsistent manner with our clients' best interests, we will vote against management's recommendations.*

***Financial Information***

Form ADV Part 2A, Item 18

A Balance Sheet is not attached as Checks & Balances, Inc. does not require, solicit, or allow prepayment of investment fees or have custody of client investment accounts.

Checks & Balances, Inc., nor any of its employees, have been the subject of a bankruptcy petition at any time.