

Item 1: Cover Page

Part 2A of Form ADV: Firm *Brochure*

January 8, 2024

Zidel Financial, Inc.

Registered Investment Advisor

210 S. Ridge St.
Breckenridge, CO 80424

P.O. Box 5830
Breckenridge, CO 80424

Phone: 970-409-4466
www.zidelfinancial.com

This brochure provides information about the qualifications and business practices of Zidel Financial, Inc. If you have any questions about the contents of this brochure, please contact us at 970-409-4466. 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. Registration as an investment advisor does not imply a certain level of skill or training.

Additional information about Zidel Financial, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. Zidel Financial's CRD Number is 135047.

Item 2: Material Changes

There following are material changes to this Brochure since the Amendment dated July 17, 2023:

- Item 4 has been amended to reflect current assets under management.
- Item 12 has been amended to clarify limitations on trade aggregation.
- Item 17 has been amended to clarify conditions under which the firm can advise clients on proxy voting.

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Item 4: Advisory Business

Zidel Financial, Inc. provides financial planning and investment advice. Financial planning includes tax planning, insurance planning, retirement planning, and estate planning. **Zidel Financial does not provide legal or tax advice.** Zidel Financial analyzes a client's financial situation and makes appropriate recommendations for strategies and methods of implementation of the strategies. The firm has provided these services since 2005, and Douglas Zidel is the principal and only owner of the firm.

Zidel Financial, Inc. implements asset allocation strategies using the following liquid asset classes: stocks, bonds, publicly-traded real estate investment trusts (REITs), commodities, and cash equivalents. The firm primarily uses a mix of open-ended mutual funds, exchange-traded funds (ETFs), publicly-traded real estate investment trusts (REITs), stocks, preferred stocks, bonds, and certificates of deposit (CDs) to implement the asset allocation.

Zidel Financial, Inc. bases the appropriate asset allocation strategy based on individual client needs, determined by, including but not limited to the client's age/time horizon, income, expenses, assets, liabilities, risk tolerance, liquidity needs, and investment experience. Clients can impose certain restrictions on investments to exclude an asset class or investment in an industry that they find objectionable or have a high concentration of their net worth in, for example.

Zidel Financial, Inc. does not provide "wrap-fee" programs (also known as "separately managed accounts"). For some clients, Zidel Financial, Inc. provides a service to the client by selecting and monitoring money managers on their behalf that do provide "wrap-fee" programs (see item 5, Fees, and Compensation).

Zidel Financial, Inc. manages \$131,877,563 in discretionary account assets as of January 8, 2024, for a total of \$131,877,563. Zidel Financial does not manage assets on a non-discretionary basis.

Additionally, Zidel Financial advises, but does not manage, assets of \$10,092,752.

Item 5: Fees and Compensation

Zidel Financial, Inc. charges advisory fees for a percentage of assets under management. If a client cancels, any prepaid fees will be refunded on a pro-rated basis.

For some clients, Zidel Financial, Inc. provides a service to the client by selecting and monitoring money managers on their behalf. When we do so, the other money managers pay Zidel Financial a portion of the fees paid by the referred clients.

For some clients, Zidel Financial, Inc. charges an advisory fee based on assets under management as follows:

- Up to \$5,000,000.....0.50% of assets under management

Money market assets are excluded from the asset total for billing purposes (no asset charges). Fees are negotiable and certain clients receive a discount on the above management fee schedule. Clients can be able to obtain similar services elsewhere for less cost and can terminate the relationship at any time.

Advisory fees are deducted from the client's account by the custodian and are charged quarterly in advance. Advisory fees are based on account valuations of the market value of the assets in clients' account at the prior calendar quarter end, using the custodian's statements to determine valuation. For accounts opened or closed mid-quarter, the fee will be pro-rated to the day, for charges or refunds due.

Clients should carefully review and compare Zidel Financial's invoices and custodian statements to ensure accuracy.

Certain investments that we purchase for clients, such as mutual funds, fixed income products, and ETFs have their own fees, expenses, spreads, or concessions. For mutual funds and ETFs, fees are described in the prospectuses.

Zidel Financial's fees are in addition to those fees and expenses, and these investments are included in the asset values that are the basis of clients' fee.

There will also be ticket/transaction charges from the brokerage/custodian for trades placed in accounts, and these charges are in addition to our fees.

Clients can obtain similar services elsewhere for less cost and can terminate the relationship at any time. See Item 12, "Brokerage Practices" for more details.

Client, beneficiary, successor, or authorized representative can cancel the agreement with Zidel Financial at any time upon written notice to Zidel Financial. Cancellation will also occur if Zidel Financial is made aware of the death, disability, or incompetence of client.

Zidel Financial, Inc. only uses "no-load" mutual funds in advisory accounts for all new investments.

Client can choose another broker/dealer and/or custodian and are under no obligation to use the firm(s) recommended by Zidel Financial, Inc. Also see the "Brokerage Practices" section.

Item 6: Performance-Based Fees and Side-By-Side Management

Zidel Financial, Inc. does not have any accounts with "Performance-Based Fees," or in which we participate in the capital gains or capital appreciation of the assets of our clients.

Item 7: Types of Clients

Zidel Financial, Inc. generally provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Zidel Financial, Inc. does not have a minimum account size currently.

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

Zidel Financial, Inc. utilizes both fundamental and technical analysis to implement an asset allocation strategy based on Modern portfolio theory (MPT). The firm primarily uses a mix of open-ended mutual funds, exchange-traded funds (ETFs), publicly-traded real estate investment trusts (REITs), stocks, preferred stocks, bonds, and certificates of deposit (CDs) to implement the strategy. Research is compiled from various sources including but not limited to financial newspapers and magazines, business news programs, research materials prepared by others, corporate and municipal ratings services, annual reports, prospectuses, SEC filings, and company press releases.

Zidel Financial, Inc. utilizes long-term purchases primarily (securities held at least a year). On rare occasions, short-term purchases are made (securities held less than one-year). Short-term purchases do not include "trading" (securities sold within 30 days), Zidel Financial, Inc. does not have any advisory accounts that utilize a "trading" strategy.

Zidel Financial, Inc. implements asset allocation strategies using the following liquid asset classes: stocks, bonds, publicly-traded real estate investment trusts (REITs), commodities, and cash equivalents. There can be no assurance that asset allocation or any other investment strategy will result in desired performance or protect against loss.

Zidel Financial, Inc. does not guarantee the future performance of clients' accounts, nor promise any specific level of performance or that our investment decisions, strategies, or overall management of clients' account will result in a desired level of gain or protect from loss. Investment decisions we make are subject to various market, currency, economic, political, and business risks, and could lose money.

Investing in securities involves risk of loss which clients should be prepared to bear. Risks include, but are not limited to:

- **General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk, and you should familiarize yourself with the risks involved in the market instruments you intend to invest in.
- **Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be used as a guide for future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political, and economic developments, and government, economic or monetary policies.
- **Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.
- **Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.
- **Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned, and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

Zidel Financial, Inc. does not specialize in any one security. All recommendations are tailored to individual client needs.

Item 9: Disciplinary Information

In August 2012, the Florida Office of Financial Regulation determined that Zidel Financial had not timely filed required financial statements for 2009, 2010, and 2011. Under a Stipulation and Consent Agreement dated August 9, 2012, Zidel Financial paid administrative fines of \$3,000 neither admitting nor denying the findings.

In July 2016, the Florida Office of Financial Regulation determined Zidel Financial:

1. Did not send invoices to customers at the time of fee deduction from customer accounts between January 1, 2014, and July 25, 2014, thereby creating custody of client funds; and
2. Did not timely update Form ADV to include the previous regulatory action by the State of Florida for failing to timely file required financial statements, and because of the invoice and custody issue, had not correctly indicated custody of client funds on Form ADV Part 1A, Item 9.A.

Under a Stipulation and Consent Agreement dated July 5, 2016, Zidel Financial paid administrative fines of \$13,500 neither admitting nor denying the findings.

Item 10: Other Financial Industry Activities and Affiliations

Douglas Zidel, the President of Zidel Financial, Inc. is a licensed insurance agent in Colorado, Florida, and Oklahoma, and receives compensation from the sale of insurance products. This is a conflict of interest in that Mr. Zidel has a financial incentive to recommend products that pay commissions. This conflict is mitigated by the following:

- Mr. Zidel and Zidel Financial will abide by their fiduciary duty to place client interests first.
- Clients always have the right to choose whether to act on Mr. Zidel's recommendations; and
- Clients are under no obligation and may implement Mr. Zidel's recommendations through any insurance agent or company of their choice.

For some clients, Zidel Financial, Inc. provides a service to the client by selecting and monitoring money managers on their behalf that do provide "wrap-fee" programs. This creates a conflict of interest because the other money managers can buy or sell investments which Zidel Financial is doing the opposite. To mitigate this conflict of interest, Zidel Financial selects and monitors outside money managers it recommends avoiding any conflicts between the accounts. Zidel Financial does receive a portion of advisory fees from clients in wrap fee accounts.

To avoid other conflicts of interest, Douglas Zidel,

- Does not recommend any securities issued/underwritten by firms or issuers with which he has a relationship with, and
- Does not receive or pay any compensation for any referrals.

In all cases, Mr. Zidel is bound to a fiduciary standard of care, which means he must put client interests first, and timely disclose all conflicts of interest.

See Item 5, "Fees and Compensation," for additional details.

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

Zidel Financial, Inc. has a Code of Ethics in place which requires:

- Avoiding conflicts, or even the appearance of conflicts between the interests of its clients and the firm.
- Keeping information confidential and secure.
- Not taking any action which violates any law, regulation, or any policy of the affiliated companies the applicant is associated with.

A copy of the Code of Ethics is available upon request.

On occasion, Douglas Zidel buys or sells securities that he also recommends to clients. This creates a conflict of interest, because Mr. Zidel could receive a better price on a security than a client. To mitigate this conflict of interest, Mr. Zidel will not trade for himself in the same security on the same day as for a client. When this is unavoidable (e.g., client requests a trade after his own trade, or a limit order executes) the client shall receive the same or more favorable execution price. In addition, he always places client interests before his own interests.

When we provide investment advice to you regarding your retirement plan account or individual retirement account (IRA), we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make

money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).
- Never put our financial interests ahead of yours when making recommendations (give loyal advice).
- Avoid misleading statements about conflicts of interest, fees, and investments.
- Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- Charge no more than is reasonable for our services, and,
- Give you basic information about conflicts of interest.

* It should be noted that the fiduciary duties enumerated above do not differ from those we observe in all our advisory activities.

Item 12: Brokerage Practices

Zidel Financial, Inc. will recommend a broker/dealer and clearing firm to our advisory clients. The broker/dealer and clearing firm recommendation will be based on the broker's costs, skills, reputation, dependability, and compatibility with the client, and not upon a financial arrangement between Zidel Financial, Inc. and the broker. Clients can choose another broker/dealer and/or custodian and are under no obligation to use the firm(s) recommended by Zidel Financial, Inc. Clients can obtain similar services elsewhere for less cost and can terminate the relationship at any time. A client's own choice of brokerage is done at their own risk if the client pays higher brokerage costs and/or fails to obtain the most favorable execution of the client's transaction, thereby costing the client more money.

- Lowest cost is not the only factor in determining best execution, but whether the transaction represents the best qualitative execution considering the full range of a broker-dealer's services, including execution capability, commission rates, and responsiveness.
- Clients can choose another broker/dealer; and
- In all cases, Mr. Zidel is bound to a fiduciary standard of care, which means he must put client interests first.

Zidel Financial recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Company, Inc. (Schwab), a registered broker/dealer, member FINRA/SIPC, to act as the custodian of clients' assets and to effect trades for their accounts. Zidel Financial is independently owned and operated and not affiliated with Schwab. Schwab provides Zidel Financial with access to its institutional trading and custody services, which are typically not available to its retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them once the custodial relationship is established. Schwab's services include custody, brokerage, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Commission rates and securities transaction fees charged to affect a client's transactions are established by Schwab.

For Zidel Financial's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab.

Soft Dollars

Charles Schwab makes available various support services that may not be available to retail customers. Some of those services help them manage or administer clients' accounts, while others help Zidel Financial manage and

grow its business. These support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to Zidel Financial.

Services that Benefit Clients

Charles Schwab provides clients with access to a range of investment products, execution of securities transactions, and custody of client assets. Services described in this paragraph generally benefit the client and their account. The investment products available through Charles Schwab include some to which Zidel Financial might not otherwise have access or that would require a significantly higher minimum initial investment by clients. Additionally, The SCHWAB SECURITY GUARANTEE provides protection for 100% of loss of client assets in any Charles Schwab account due to unauthorized activity. The Schwab Security Guarantee applies to unauthorized activity in client accounts managed by Independent Investment Advisors.

Services That May Not Directly Benefit Clients

Charles Schwab also makes other products and services available to Zidel Financial that benefits Zidel Financial but may not directly benefit the client or their account. These products and services assist Zidel Financial in managing and administering client accounts. In addition to investment research, Charles Schwab also makes available software and other technology that:

- Assists with back-office functions, recordkeeping, and client reporting for client accounts.
- Provides access to client account data (such as duplicate trade confirmations and account statements).
- Provides pricing and other market data.

Services That Generally Benefit Only Zidel Financial

By using the services of Charles Schwab, Zidel Financial is offering other services intended to help Zidel Financial manage and further develop its business. These services include:

- Educational conferences and events.
- Consulting on technology, compliance, legal, and business needs.
- Publications and conferences on practice management and business succession.

Zidel Financial's Interest in Charles Schwab Services

The availability of these services from Charles Schwab benefits Zidel Financial as Zidel Financial does not have to produce or purchase them independently. In addition, Zidel Financial does not pay Charles Schwab for these services. This presents a conflict of interest in that Zidel Financial has an incentive to recommend that the client maintain their account with Charles Schwab based on Zidel Financial's interest in receiving these services that benefit its business rather than based on client interests (i.e., in receiving the best value in custody services and the most favorable execution of client transaction). However, Zidel Financial believes the selection of Charles Schwab as custodian and broker is in the best interests of clients. Zidel Financial's selection is based on due diligence performed including the evaluation of the scope, quality, price and overall value of services to clients rather than on those services that benefit only Zidel Financial.

Also see the "Fees and Compensation" section.

In most cases, Zidel Financial, Inc. does not have the opportunity to aggregate trades for client accounts, due to the unique nature of each clients' account(s) and tax considerations on taxable accounts. Aggregating trades can reduce transaction costs and obtain more favorable prices for clients.

Zidel Financial, Inc. and/or Douglas Zidel do not receive "client referrals" from any firm it recommends or does business with.

Item 13: Review of Accounts

Zidel Financial, Inc. reviews advisory accounts no less than annually; the calendar is the triggering factor. There are no different levels of review. Separately managed accounts are reviewed when Zidel Financial, Inc. receives their statements, either monthly or quarterly.

Douglas Zidel conducts reviews of all client accounts on a portfolio analysis basis. Positions in accounts are reviewed to ensure they are still consistent with client objectives, risk tolerance, and market conditions.

Zidel Financial, Inc. does not prepare regular client reports. Clients receive statements from their broker/dealers and/or custodians, mutual fund company, and/or money manager, as appropriate.

Item 14: Client Referrals and Other Compensation

Zidel Financial, Inc. and/or Douglas Zidel does not receive any compensation for referrals to any entity, financial or otherwise.

Zidel Financial, Inc. and/or Douglas Zidel does not offer any compensation for referrals from any entity, financial or otherwise.

Item 15: Custody

Zidel Financial, Inc. does not have “physical custody” (hold) any client funds or securities. Since Zidel Financial deducts fees from accounts it is deemed to have “constructive custody” of accounts.

Custodians will send monthly or quarterly statements directly to our clients. Clients should carefully review all statements and report any discrepancies immediately to Zidel Financial, Inc. and/or the custodian.

Item 16: Investment Discretion

Zidel Financial, Inc. accepts discretionary authority to manage securities accounts on behalf of clients. Zidel Financial, Inc. does not allow clients to place limitations on this authority (e.g., not purchasing certain stocks). Clients grant Zidel Financial, Inc. the authority to exercise discretionary authority in their advisory agreement.

Item 17: Voting Client Securities

Zidel Financial, Inc. does not have authority to vote proxies on behalf of clients. We will advise clients as to how to vote their proxies, if requested to do so, and only if we can comply with these requirements prior to dispensing any voting advice:

1. We can show how the advice is in the best interest of the client(s), in writing, and,
2. We can ensure there are no conflicts of interest (i.e. the advisor and/or immediate family member owns the same security they are being asked how to vote on).

Clients can contact the firm via phone or electronic mail if they have any questions about proxies. The custodian will send clients all proxy material for securities held in clients' accounts. However, we will not advise on actions for clients to take in legal proceedings involving securities in client accounts, including bankruptcies and class actions.

Clients retain all authority and responsibility to vote their proxies solicited for clients' accounts.

Item 18: Financial Information

Zidel Financial, Inc. is compliant with applicable financial reporting requirements, does not custody any client assets, and does not have any financial condition which is reasonably likely to impair the firm's ability to meet contractual commitments to clients.

Part 2B of Form ADV: *Brochure Supplement*

**Douglas Zidel
Zidel Financial, Inc.**

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Breckenridge, CO 80424**

**P.O. Box 5830
Breckenridge, CO 80424**

Phone: 970-409-4466

January 8, 2024

This brochure provides information about **Douglas Zidel** that supplements the Zidel Financial, Inc. Brochure. You should have received a copy of that brochure. Please contact the office listed above if you did not receive Zidel Financial, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Douglas Zidel is available on the SEC's website at www.adviserinfo.sec.gov. Douglas Zidel's CRD Number is 1449410.

Educational Background and Business Experience

Douglas Zidel, born 1963.

Educational Background: Two degrees from the University of Colorado at Boulder, Colorado

- Bachelor of Science, Small Business Management 1985
- Bachelor of Science, Marketing, 1985

Business Background:

Entered the Financial Services business in 1985.

Licensed as a Registered Representative from 1986 to 2019.

Licensed Insurance Agent with the State of Florida since 1993, also licensed to sell Insurance in Colorado, and Oklahoma.

President of Zidel Financial, Inc. since 1995.

Licensed as a General Securities Principal from 1995 to 2019.

Registered Representative with LaSalle St. Securities, LLC from 2001 to 2019.

Investment Advisor Representative with Zidel Financial, Inc. since 2005.

Co-Founder, Global Telecom Testing, LLC in 2009.

Disciplinary Information:

Douglas Zidel has no legal or disciplinary events to disclose. See ADV Part 2A, Item 9 for information regarding Zidel Financial.

Other Business Activities:

Douglas Zidel is a licensed insurance agent in Colorado, Florida, and Oklahoma.

When acting as an insurance agent, Douglas Zidel receives commission payments for the sale of some insurance products when a fee-based product is not available to advisors.

To avoid other conflicts of interest, Douglas Zidel:

- Does not recommend any securities issued/underwritten by firms or issuers with which he has a relationship with, and
- Does not receive or pay any compensation for any referrals.

In all cases, Mr. Zidel is bound to a fiduciary standard of care, which means he must put client interests first, and timely disclose all conflicts of interest.

Additional Compensation:

Douglas Zidel does not receive any additional compensation for providing advisory services other than those discussed above and in ADV Part 2A, Item 5.

Supervision:

As President of Zidel Financial, Inc., Mr. Zidel is responsible for all firm activities and financial advice. As Chief Compliance Officer of Zidel Financial, Inc., Mr. Zidel is responsible for the implementation and administration of the firm's compliance program and regulatory requirements.