

Form ADV Part 2A: *Firm Brochure*

Item 1 – Cover Page

Leibman Financial Services, Inc.
228 Main Street
Louisville, Nebraska 68037
(402) 234-2337

Date of Disclosure Brochure: January 2024

This disclosure brochure provides information about the qualifications and business practices of Leibman Financial Services, Inc. (also referred to as we, us, and Leibman Financial Services throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Mark E. Leibman at (402) 234-2337 or Mark@228Main.com. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Leibman Financial Services is also available on the internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for Leibman Financial Services, Inc. or our firm's CRD number 323120.

*Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

This section provides a summary of material changes that were made to this brochure since our last required update of our disclosure brochure was submitted on February 2023:

- *Item 4, Introduction was edited in February 2023 to reflect the change in ownership of Leibman Financial Services.*
- *Item 4, Asset Management Services was edited in February 2023 to further explain our concept of a household-level asset management style, with benefits and drawbacks associated with such.*
- *Item 4, Participation in Wrap Fee Programs was edited in February 2023 to eliminate verbiage surrounding non-wrap fee programs as Leibman Financial Services does not currently offer non-wrap fee programs.*
- *Item 4, Client Assets Managed by Leibman Financial Services was edited in January 2024 to update the current assets under management.*
- *Item 5, Asset Management Services was edited in January 2024 to expand the range of assets under management and associated annual fees.*
- *Item 4, Description of Advisory Services was edited in January 2024 to remove the mention of account minimums for our asset management service and emphasize the added risks when working with smaller accounts*
- *Item 4, Asset Management Services was edited in January 2024 to include more information regarding working with accounts at a household level*
- *Item 5, Asset Management Services was edited in January 2024 to remove the mention of account minimums for our asset management service*
- *Item 7, Minimum Investment Amounts Required was edited in January 2024 to remove the required minimum amount for our asset management service*
- *Updates of a non-material nature were made to provide clarification and/or additional information.*

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. If you would like a copy of the full brochure, or have any questions regarding the changes presented below, please either email William Garver at William@228Main.com or call the office at (402) 234-2337. We may also provide other ongoing disclosure information about material changes, as necessary

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Introduction	4
Description of Advisory Services	4
Limits Advice to Certain Types of Investments	7
Participation in Wrap Fee Programs	7
Tailor Advisory Services to Individual Needs of Clients	8
Client Assets Managed by Leibman Financial Services	8
Item 5 – Fees and Compensation	8
Asset Management Services	8
Financial Planning Services	10
Item 6 – Performance-Based Fees and Side-By-Side Management	10
Item 7 – Types of Clients	10
Minimum Investment Amounts Required	10
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	11
Methods of Analysis	11
Investment Strategies	12
Primarily Recommend One Type of Security	12
Risk of Loss	12
Item 9 – Disciplinary Information	13
Item 10 – Other Financial Industry Activities and Affiliations	13
Registered Representative of a Broker-Dealer	14
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading	14
Code of Ethics Summary	14
Affiliate and Employee Personal Securities Transactions Disclosure	15
Item 12 – Brokerage Practices	16
Directed Brokerage	16
Broker/Dealer Affiliation (LPL Financial)	16
Soft Dollar Benefits	17
Block Trading Policy	17
Agency Cross Transactions	18
Item 13 – Review of Accounts	18
Account Reviews and Reviewers	18
Statements and Reports	18
Item 14 – Client Referrals and Other Compensation	18
Item 15 – Custody	19
Item 16 – Investment Discretion	19
Item 17 – Voting Client Securities	20
Item 18 – Financial Information	20
Business Continuity Plan	20
Customer Privacy Policy Notice	21

Item 4 – Advisory Business

Leibman Financial Services is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a corporation formed under the laws of the State of Nebraska.

- Mark Edward Leibman is the President and 25.3% owner of Leibman Financial Services.
- Gregory Gabriel Leibman is a Vice President and 24.9% owner of Leibman Financial Services.
- Caitlin Clair Leibman is a Vice President and 24.9% owner of Leibman Financial Services.
- William Daniel Garver is a Vice President and 24.9% owner of Leibman Financial Services.
- Leibman Financial Services filed its initial application to become registered as an investment adviser in November 2022.

Introduction

The investment advisory services of Leibman Financial Services are provided to you through an appropriately licensed individual who is an investment adviser representative of Leibman Financial Services (referred to as your investment adviser representative throughout this brochure).

Description of Advisory Services

The following are descriptions of the primary advisory services of Leibman Financial Services. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Leibman Financial Services before we can provide you the services described below.

Asset Management Services - Leibman Financial Services offers asset management services, which involves Leibman Financial Services providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodian(s) maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives, and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting, or holding securities, cash, or other investments of the Account.

In multi-account households, Leibman Financial Services will manage the accounts at the household level as long as the financial situation and investment objectives are similar and you have signed the necessary paperwork allowing us to discuss accounts across your household. This will allow your investment adviser representative to make more appropriate asset allocation decisions, when possible. Be aware this may create the appearance of some imbalance when viewed at the account level. Alert your investment adviser representative if you would prefer separate management of your accounts.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance, or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance, or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

There is no minimum account balance to access this service. However, if there is a conflict between the amount being invested and your investment objectives or risk tolerance, we may recommend not beginning a relationship with Leibman Financial Services. It is important to understand that smaller accounts may be less diversified than larger accounts. Because this service focuses on individual securities, smaller accounts will be more concentrated. The higher concentration will experience increased volatility and a greater risk of loss than would be faced by larger accounts.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell, or recommend to you any security or other investment that we may buy, sell, or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your Account(s) and other accounts advised by our firm among such accounts equitably and consistently with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Portfolio Monitoring Program - For those investors that don't require actively managed accounts (with or without discretion), we offer a Portfolio Monitoring Program which is a daily overview of all accounts listed under the program. Clients within the program are provided with monitoring of account holdings, a quarterly report reviewing the portfolio, and commentary on the firm's investment recommendations as they would apply to the account. This program has been designed for accounts with a minimum balance of \$250,000 or more.

The Portfolio Monitoring Program does not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or Accounts. You have the sole responsibility for determining whether to implement our consulting recommendations. To the extent that you would like us to implement any of our investment recommendations through Leibman Financial Services or retain Leibman Financial Services to actively monitor and manage your investments, you must execute a separate written agreement with Leibman Financial Services for our asset management services.

Financial Planning Services - Leibman Financial Services offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. We provide full written financial plans, which typically address the following topics: Asset Allocation, Cash Flow Analysis,

College/Education Planning, Estate Planning, Insurance Planning, and Retirement Planning. When providing financial planning services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. Written financial plans prepared by us do not include specific recommendations of individual securities.

Our financial planning services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or Accounts. You have the sole responsibility for determining whether to implement our financial planning recommendations. To the extent that you would like to implement any of our investment recommendations through Leibman Financial Services or retain Leibman Financial Services to actively monitor and manage your investments, you must execute a separate written agreement with Leibman Financial Services for our asset management services.

Retirement Plan Rollover Recommendations - When Leibman Financial Services provides investment advice about your retirement plan account or individual retirement account ("IRA") including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds from the retirement plan account to an IRA, or make a distribution from the retirement plan account, we acknowledge that Leibman Financial Services is a **"fiduciary"** within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC") as applicable, which are laws governing retirement accounts. The way Leibman Financial Services makes money creates conflicts with your interests so Leibman Financial Services operates under a special rule that requires Leibman Financial Services to act in your best interest and not put our interest ahead of you.

Under this special rule's provisions, Leibman Financial Services must as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

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

To the extent we recommend you roll over your account from a current retirement plan account to an individual retirement account managed by Leibman Financial Services, please know that Leibman Financial Services and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by Leibman Financial Services. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by Leibman Financial Services.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not

based exclusively on whether or not moving the IRA to our management program is in your overall best interest. We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described above, (ii) not recommend investments which result in Leibman Financial Services receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by Leibman Financial Services and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to a retirement plan account or IRA, our investment adviser representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk tolerance, financial circumstances, and needs of a client, without regard to the financial or other interests of Leibman Financial Services or our affiliated personnel.

Limits Advice to Certain Types of Investments

Leibman Financial Services provides investment advice on the following types of investments:

- Exchange-listed Securities
- Exchange Traded Funds (ETFs)
- Securities Traded Over the Counter
- Corporate Debt Securities
- Municipal Securities
- U.S. Government Securities
- Mutual Funds

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals, and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

(Please refer to Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss for more information.)

Participation in Wrap Fee Programs

Leibman Financial Services offers services through wrap fee programs. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions.

Whenever a fee is charged to a client for the services described in this brochure, we will receive all or a portion of the fee charged.

Tailor Advisory Services to Individual Needs of Clients

Our advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the Accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information. Our financial planning services are always provided based on your individual needs.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

Client Assets Managed by Leibman Financial Services

As of 12/07/2023, Leibman Financial Services manages approximately \$121 million on its discretionary basis for over 200 advisory clients.

Item 5 – Fees and Compensation

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Leibman Financial Services.

Asset Management Services

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed.

The asset management services continue in effect until terminated by either party (i.e., Leibman Financial Services or you) by providing written notice of termination to the other party. Any prepaid, unearned fees will be promptly refunded by Leibman Financial Services to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

Fees charged for our asset management services are negotiable based on the complexity of the client's situation, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

For our asset management services, the client will be charged the following annual fee based upon the amount of assets under management:

<u>Assets Under Management</u>	<u>Annual Fees</u>
\$0 – \$250,000	1.500%
\$250,001 – \$1,000,000	1.250%
\$1,000,001 – \$2,000,000	1.100%
\$2,000,001 – \$4,000,000	1.000%
\$4,000,001 and above	0.900%

(This is **not** a “blended” annual fee schedule in which each tier of assets is charged a different rate under the annual fee schedule creating the effect of a blended fee rate used at the time of billing. Under our fee schedule described above, only one rate is charged against all of the client’s assets under management in this program.)

We offer clients a longevity discount of 0.05% reduction in the fee at the end of 5 years and 15 years client tenure. Client participation in the longevity discount program will be evaluated and management fees will be adjusted on an annual basis.

There is no minimum account size for asset management services.

Leibman Financial Services believes that its annual fee is reasonable in relation to (i) services provided and (ii) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

In addition, you will incur certain charges imposed by third parties other than Leibman Financial Services in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by Leibman Financial Services are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses is available in each investment company security’s prospectus.

Leibman Financial Services does not receive any portion of any other commissions or fees from you or the qualified custodian.

Fees for Portfolio Monitoring Program

As discussed under *Item 4*, Leibman Financial Services provides a Portfolio Monitoring Program for investors not needing active discretionary or non-discretionary management of their investment accounts. Under this program, the fee for portfolio monitoring services will be 0.25% of the assets held in the accounts being monitored. Fees for our Portfolio Monitoring Program are billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your Account opened at any time other than the beginning of the billing period. If monitoring services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed.

The Portfolio Monitoring Program services continue in effect until terminated by either party (i.e., Leibman Financial Services or you) by providing written notice of termination to the other party. Any prepaid, unearned fees will be promptly refunded by Leibman Financial Services to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

Financial Planning Services

Financial planning services are provided to all clients as a part of our asset management process without additional charge.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

Item 7 – Types of Clients

Leibman Financial Services generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with Leibman Financial Services specifying the particular advisory services in order to establish a client arrangement with Leibman Financial Services.

Minimum Investment Amounts Required

Leibman Financial Services does not require a minimum amount in order to open an account under our Asset Management Service.

Our Portfolio Monitoring Program has been designed for accounts with a minimum balance of \$250,000 or more. Exceptions may be granted to this minimum at the discretion of the adviser.

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

Methods of Analysis

Leibman Financial Services uses the following methods of analysis in formulating investment advice:

Cyclical – This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (e.g., underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for almost any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

There are risks involved in using any analysis method.

Investment Strategies

Leibman Financial Services uses the following investment strategies when managing client assets and/or providing investment advice:

Long-term purchases - Investments held at least a year.

Value investing - We primarily follow a value-investing strategy that attempts to acquire at reasonable valuations publicly-traded businesses that can deliver sustainable excess returns. We focus on a long-term strategy. Long-term strategies are designed to identify and select investments to be held for multiple years. We will also invest in value-oriented special situations with shorter expected holding periods.

Value investing can be described as a strategy of selecting stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, underperformance relative to major benchmarks, macroeconomic risks, investing in value traps (i.e., businesses that remain perpetually undervalued), and lost purchasing power on cash holdings in the case of inflation.

Tactical asset allocation - Allows for a range of percentages in each asset class (such as "stocks = 40-50%"). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Primarily Recommend One Type of Security

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There

are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market risk. Either the stock market as a whole or the value of an individual company goes down, resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk. Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company risk. When investing in stock positions, there is always a certain level of company- or industry-specific risk that is inherent in each investment. This is also referred to as non-systemic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed income risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and mutual fund risk. When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management risk. Your investment with our firm varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Item 9 – Disciplinary Information

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Leibman Financial Services is **not** and does **not** have a related person that is a broker-dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled

investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," or offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, or a sponsor or syndicator of limited partnerships.

We are an independent registered investment adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure.

Registered Representative of a Broker-Dealer

Our representatives are also registered representatives of LPL Financial LLC, a securities broker-dealer. You may work with your investment adviser representative in their separate capacity as a registered representative of LPL Financial LLC.

As a result of this relationship, LPL Financial LLC may have access to certain confidential information (e.g., financial information, investment objectives, transactions, and holdings) about clients of Leibman Financial Services, even if a client does not establish any account through LPL Financial LLC. If you would like a copy of the privacy policy of LPL Financial LLC, please contact your investment adviser representative.

When acting in their separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in this separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL Financial LLC and can select any broker-dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL Financial LLC. Prior to effecting any such transactions, you are required to enter into a new account agreement with LPL Financial LLC. The commissions charged by LPL Financial LLC may be higher or lower than those charged by other broker-dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Leibman Financial Services has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as "supervised persons." All employees, officers, directors, and investment adviser representatives are classified as supervised persons. Leibman Financial Services requires its supervised persons to consistently act in your best interest in all advisory activities. Leibman Financial Services imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Leibman Financial Services. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

Affiliate and Employee Personal Securities Transactions Disclosure

Leibman Financial Services or supervised persons of the firm buy and sell for their personal accounts investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of Leibman Financial Services that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. As is required by our internal procedures manual, Leibman Financial Services and its supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To mitigate conflicts of interest that can occur when access persons manage their personal accounts at the same time Leibman Financial Services manages client accounts, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees, and their immediate family members (collectively, "supervised persons"):

- Supervised persons cannot prefer their own interests to that of the client.
- Supervised persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Supervised persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment unless that information is also available to the investing public upon reasonable inquiry.
- Supervised persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider."
- Supervised persons are discouraged from conducting frequent personal trading.
- Supervised persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the Chief Compliance Officer of Leibman Financial Services.

Any supervised person not observing our policies is subject to sanctions up to and including termination.

Item 12 – Brokerage Practices

If Leibman Financial Services assists in the implementation of any recommendations, we are responsible for ensuring that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. We exercise reasonable due diligence to ensure best execution is obtained for all clients when implementing transactions by considering a number of factors besides prices and rates, including but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back-office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability, and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

Directed Brokerage

Clients should understand that not all investment advisors require the use of a particular broker-dealer or custodian. Some investment advisors allow their clients to select whichever broker-dealer the client decides. By requiring clients to use a particular broker-dealer, Leibman Financial Services may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker-dealers may cost clients more money than if the client used a different broker-dealer or custodian. However, for compliance and operational efficiencies, Leibman Financial Services has decided to require our clients to use broker-dealers and other qualified custodians determined by Leibman Financial Services.

Broker-Dealer Affiliation (LPL Financial)

If you wish to implement our advice you are free to select any broker you wish. If you wish to have our representatives implement the advice in their separate capacity as registered representatives, LPL is used. Our representatives are registered representatives of LPL and we are required to use the services of LPL when acting in this capacity. LPL has a wide range of approved securities products for which it performs due diligence prior to selection. LPL's registered representatives are required to adhere to these products when implementing securities transactions through LPL. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker-dealer.

Because our representatives are also registered representatives of LPL, LPL provides compliance support to them. LPL also provides our representatives, and therefore us, with back-office operational, technology, and other administrative support.

If you wish to implement our advice through any of the programs described in this Disclosure Brochure, LPL will be used as the broker-dealer and/or custodian. LPL will be the primary broker-dealer and custodian recommended due to the relationship our representatives have with LPL. We recommend broker-dealers and custodians that we feel provide services in a manner and at a cost that will allow us to

meet our duty of best execution. However, we may be limited in the broker-dealer or custodians that we are allowed to use due to our representatives' relationship with LPL. LPL may limit or restrict the broker-dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there is no direct linkage between the investment advice given to you and our recommendation of LPL, economic benefits may be provided to us by LPL that are not provided if you select another broker-dealer or account custodian. These benefits may include:

- Negotiated costs for transaction implementation
- A dedicated trade desk that services LPL Financial participants exclusively
- A dedicated service group and an account services manager dedicated to our accounts
- Access to a real-time order matching system
- Electronic download of trades, balances, and position information
- Access, for a fee, to an electronic interface with the account custodian's software
- Duplicate and batched client statements, confirmations, and year-end reports

Please also see *Item 5, Fees and Compensation*, for additional information about advisory services and implementing recommendations.

Soft Dollar Benefits

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Leibman Financial Services does not have a soft dollar agreement with a broker-dealer or a third-party.

Block Trading Policy

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading, or block trading and is used by our firm when Leibman Financial Services believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or, to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Leibman Financial Services uses the average price allocation method for transaction allocation.

Under this procedure Leibman Financial Services will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Leibman Financial Services or our associated persons may invest, we will do so in

accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

Agency Cross Transactions

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal markup for the trades.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by Mark Leibman, Greg Leibman, Caitie Leibman, or William Garver with reviews performed in accordance with your investment goals and objectives. Unless otherwise arranged, reviews will be performed at the household level.

Our financial planning services terminate upon the presentation of the written plan. Our financial planning services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

Statements and Reports

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian.

Financial planning clients do not receive any report other than the written plan originally contracted for and provided by Leibman Financial Services.

You are encouraged to always compare any reports or statements provided by us against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

Item 14 – Client Referrals and Other Compensation

Leibman Financial Services does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. Leibman Financial Services receives no other forms of compensation in connection with providing investment advice.

Please see Item 5, Fees and Compensation; Item 10, Other Financial Industry Activities and Affiliations; and Item 12, Brokerage Practices, for additional discussion concerning other compensation.

Item 15 – Custody

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Leibman Financial Services is deemed to have custody of client funds and securities whenever Leibman Financial Services is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Leibman Financial Services will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Leibman Financial Services is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address, and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Leibman Financial Services. When clients have questions about their account statements, they should contact Leibman Financial Services or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

When providing asset management services, Leibman Financial Services maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your Accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations, and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted

to Leibman Financial Services so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

Proxy Voting

Leibman Financial Services does not vote proxies on behalf of clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in your Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy, feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

Item 18 – Financial Information

This *Item 18* is not applicable to this brochure. Leibman Financial Services does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Leibman Financial Services has not been the subject of a bankruptcy petition at any time.

Business Continuity Plan

Leibman Financial Services has a business continuity and contingency plan in place designed to respond to significant business disruptions. These disruptions can be both internal and external. Internal disruptions will impact our ability to communicate and do business, such as a fire in the office building. External disruptions will prevent the operation of the securities markets or the operations of a number of firms, such as earthquakes, wildfires, hurricanes, terrorist attack, or other wide-scale, regional disruptions.

Our continuity and contingency plan has been developed to safeguard employees' lives and firm property, to allow a method of making financial and operational assessments, to quickly recover and resume business operations, to protect books and records, and to allow clients to continue transacting business.

The plan includes the following:

- Alternate locations to conduct business;
- Hard and electronic back-ups of records;
- Alternative means of communications with employees, clients, critical business constituents, and regulators; and
- Details on the firm's employee succession plan

Our business continuity and contingency plan is reviewed and updated on a regular basis to ensure that the policies in place are sufficient and operational.

Customer Privacy Policy Notice

Commitment to Your Private Information. Leibman Financial Services has a long-standing policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share non-public personal information about you ("Information") with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

Why We Collect and How We Use Information. We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial consultation, and other services described in our Form ADV.

How We Gather Information. We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, Social Security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

How We Protect Information. Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

Sharing Information with Other Companies Permitted Under Law. We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist use with the providing services to you. Unrelated third parties may include broker-dealers, mutual fund companies, insurance companies, and the custodian with which your assets are held. In such situations, we stress the confidential nature of information being shared.

Former Customers. Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.