

## **Access Financial Resources, Inc.**

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### **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Access Financial Resources, Inc. If you have any questions about the contents of this brochure, contact us at 405-848-9826, or by email at: [info@afradvice.com](mailto:info@afradvice.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 Access Financial Resources, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The firm's searchable CRD number is 109495.

Access Financial Resources, 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.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 22, 2023, there have been no material changes.

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 405-848-9826 or by email at: [info@afRADVICE.com](mailto:info@afRADVICE.com).

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## Item 4 Advisory Business

### Firm Description

Access Financial Resources, Inc. ("AFR") is a registered investment adviser based in Oklahoma City, Oklahoma. We are organized as a corporation under the laws of the State of Oklahoma. The firm was founded in 1991. AFR is owned by the Troy E. Jones Revocable Trust, Woody Family Trust, Jeffrey A. Ashford Living Trust, and Atkinson Family Trust.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to AFR and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

AFR provides personalized confidential financial planning and asset management services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, and small businesses.

Advice is provided through consultation with the client and an AFR investment adviser representative and may include, but is not limited to: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, asset management, education funding, retirement planning, and estate planning.

AFR is mainly structured as a "fee-based" asset management and financial planning firm. To that end, AFR is in the business of providing objective advice regarding annuities, insurance, stocks, bonds, mutual funds, limited partnerships, insurance, or other asset vehicles for a fee, which is paid by the client to AFR. However, some clients are not interested in paying a fee to review and recommend annuity and/or other insurance products, etc. As a result, some of AFR's investment adviser representatives are also licensed to sell certain insurance products through various insurance companies. As a result, a "fee-based" investment adviser representative may also be paid a commission from a non-client third-party in the event the client decides to purchase the recommended insurance product. This commission could be in addition to any fee paid by the client to AFR.

AFR also allows an investment adviser representative to be "fee-only." In that case, the "fee-only financial adviser representative" receives no commission, directly or indirectly, from the sale of any insurance product or security, and neither does AFR. Moreover, AFR does not directly or indirectly compensate any third party for client referrals.

Investment advice and management is an integral part of financial planning. Investment advice is provided in two ways:

#### Non-Discretionary Authority

Under this option, the investment adviser representative makes recommendations based upon the needs of the client under an investment policy statement or client suitability form. If such recommendations are accepted by the client, the investment adviser representative will then buy or sell the security in the account as directed by the client. The client is always at liberty to follow or disregard, wholly or partially, any information, recommendation, or advice given by the investment adviser representative under this option.

#### Discretionary Authority

Under this option, the investment adviser representative will direct which securities to buy or sell in the

account, subject to limitations a client may impose by notice in writing. This option allows the investment adviser representative, without prior consultation with the client, to buy or sell any security in the account, in the adviser's sole discretion.

Regardless of either option elected by the client, AFR does not act as a custodian of client assets, and the client always maintains asset control. AFR places trades for clients under a limited power of attorney.

As a general rule, a written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement or an asset allocation sheet. Periodic reviews of client accounts are conducted no less frequently than annually and are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur, but are not necessarily communicated to the client, unless immediate changes are recommended. Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the event they should occur.

The initial meeting, which may be by telephone, is at no charge and is considered an exploratory interview to determine the extent to which financial planning and asset management may be beneficial to the client.

### **Types of Advisory Services**

AFR provides financial planning and asset management services. Regarding such services, AFR may furnish advice to clients on matters such as financial problems, cash flow management, tax planning, insurance review, education funding, retirement planning, and estate planning.

#### Financial Planning

A financial plan is designed to help the client with all aspects of financial planning without ongoing asset management.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations. Because financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. To that end, specific recommendations are provided as part of a financial plan. However, implementation of the recommendations is always at the discretion of the client. AFR and its investment adviser representatives do not have any discretionary investment authority when offering financial planning.

After delivery of a financial plan, future meetings/conversations may be scheduled as necessary for up to one month; otherwise, the investment adviser representative will take no further actions on your behalf or notify you of changes in the law, etc., unless you contact the investment adviser representative in the future and request the investment adviser representative to do so.

#### Investment Advisory Services

Most clients choose to have AFR manage their assets on an ongoing basis. All aspects of the client's financial affairs are usually considered and reviewed. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, investment suggestions are made and implemented on an ongoing basis.

The scope of work and fees for advisory services is provided to the client in writing prior to the start of

the relationship. Assets are held primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, notes and mortgages, real estate, direct investments, options contracts, futures contracts, and interests in partnerships. However, initial public offerings (IPOs) are not available through AFR.

### **Tailored Relationships**

Each of the advisory services AFR offers is tailored to and designed to meet a client's individual investment goals and objectives, financial needs and tolerance of risk. They are drawn from research and analysis we believe to be reliable and appropriate to a client's financial circumstances. Clients may impose restrictions on investing in certain securities or types of securities.

### **Assets Under Management**

As of December 31, 2023, AFR manages approximately \$307,984,853 in assets. Approximately \$283,481,953 is managed on a discretionary basis and \$24,502,900 is managed on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Description**

AFR bases its fees on a percentage of assets under management, hourly charges, commissions (e.g., annuities and insurance), and/or retainer (i.e., ongoing fixed fees). Some fees may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship. Financial plans are priced on an hourly basis, and the time spent is according to the degree of complexity associated with the client's situation. AFR considers cash to be an asset class, and it will be included in fee calculations. At times, it is possible that fees will exceed the yield, if any, that is generated by such cash. Fees are negotiable.

### **Hourly Fee Billing for Financial Planning Services**

For financial planning services, the fee ranges from \$95 to \$300 per hour depending on the investment adviser representative and is generally negotiable. There may be an initial start-up fee, not to exceed \$500.00, for setting up a client's file. This is to defer the cost of incidentals such as multiple meetings, completing all necessary financial documentation, help with any necessary government forms, and any mandatory administrative needs that may arise.

Fees for financial plans are not billed in advance, but are usually billed monthly, in arrears, throughout the financial planning process, with the balance due upon delivery of the financial plan. Any follow-up consulting work regarding a client's implementation of a financial plan is billed separately at the hourly rate agreed to in the client agreement, monthly, in arrears.

### **Asset Based Percentage Fee Billing for Investment Advisory Services**

Fees for advisory services are typically based on the value of assets under management, including cash balances, and will vary depending on account size as follows: **Net Market Value**

<b>of Client Account</b>	<b>Annual Percent</b>	<b>Quarterly Percent</b>
\$0 - \$100,000	2.0%	.50%
\$100,001 - \$200,000	1.5%	.375%
\$200,001 - \$500,000	1.0%	.25%
\$500,001 – and up	0.75%	.188%
Negotiable	TBD %	TBD %

Asset based fees for investment advisory services are billed quarterly, in arrears. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to

facilitate billing, which is the default option in the client investment advisory agreement.

### **Retainer Fee Billing for Financial Planning Services and/or Investment Advisory Services**

Under certain limited circumstances, AFR may provide financial planning and/or investment advisory services on a retainer fee basis. Retainer fees (i.e., ongoing fixed fees) are billed in arrears on a monthly, quarterly, semi-annual, or annual basis, as elected in the client agreement.

### **Additional Fee Billing Disclosure**

AFR, in its sole discretion, may waive its fees and/or charge a higher/lesser fee, from what is listed on the fee billing schedule, based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, financial planning complexity, etc.). Also, for other asset holdings under management by AFR such as real estate, notes and mortgages, annuities, etc., the fair market value of such holdings are included in assets under management for the purposes of calculation of asset-based fees. Also, third-party administrators for retirement plans charge additional fees for outside holdings. So, please review the values of each outside holding for accuracy.

We do not bill an advisory fee on margin balances and generally advise our clients against maintaining significant margin balances.

### Expense Ratios and Brokerage Fees

Fund companies generally charge fund shareholders management fees to cover the fund's annual operating expenses. Total annual fund operating expenses are reflected in a fund's prospectus as an expense ratio. An expense ratio of, for example, 0.5% means that the fund company charges an annual fee of 0.5% of average net assets. These fees are in addition to the fees paid by you to AFR. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted. Discount brokerages may charge a transaction fee for the purchase of some funds. Moreover, stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades; however, AFR does not receive any compensation from fund companies or brokerage firms.

### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security for one-time purchases but can be significant for ongoing transactions. A fund's share class and transaction fee status, etc. must be taken into account to determine the best avenue to select for investment. The loads for Class A shares are waived by Fidelity Investments; however, each Class A share has a 12b-1 fee (that Fidelity keeps), which causes the expense ratio to be higher than another share class for the same fund. However, the same fund in a different share class may have a transaction fee associated with it (e.g., \$20) for each purchase, but a lower expense ratio. For ongoing transactions, it may, under certain circumstances, be less expensive to purchase a Class A share (waived load), and subsequently convert to a different share class with a lower expense ratio once a certain value in Class A shares is reached. To that end, the purchase of mutual fund class shares with a higher expense ratio, like a Class A share, may be utilized to avoid having the client incur a transaction fee in a lower expense share classes. However, not converting Class A shares into another share class that does not have 12b-1 fees once a certain value is reached, could result in higher overall and reoccurring expenses due to the higher expense ratio.

Again, AFR, in its sole discretion, may waive its fees and/or charge a higher/lesser fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts,

account composition, negotiations with clients, financial planning complexity, etc.).

For Clients using a third-party SMA (separately managed account by a third party manager), such as Envestnet/Placemark, additional overlay asset management fee, in addition to AFR's fees, are charged separately by Envestnet or Placemark, usually ranging somewhere from 10 basis points to 40 basis points, and the model portfolio adviser charges an additional separate investment management fee (fees vary), which is further in addition to the underlying expense ratio of the individual holding (e.g., mutual fund, exchange trade fund, stock transaction charge, etc). For example, a client with \$400,000 under management using an SMA might have the following expense structure:

AFR fee	1.00% (adviser fee)
Placemark overlay fee	0.10% (allocated to mutual funds & ETFs only)
Model portfolio manager fee	0.40% (e.g., Hays management fee)
Expense of individual holdings	0.40% (e.g., ALPS Sector Div Dogs -SDOG)
Total sample fee	1.90%

It is important for the Client to understand that it is possible for the Client to perhaps hold the very same individual holdings without incurring the additional overlay and model portfolio fees.

### **Termination of Agreement**

The Client has a right to terminate the relationship for a complete refund of fees within five (5) business days of the Client's signing the agreement. Either party has the right to terminate the agreement at any time upon thirty (30) days written notice. In the event of termination, the Client is entitled to a prorated refund of any prepaid fees calculated from the effective date of termination. Work requested to be completed by AFR after the effective termination date shall be billed at the hourly rate (minimum hourly rate is \$95.00 per hour) set forth in the agreement.

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

Neither AFR nor any of its supervised persons accepts performance-based fees or participates in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

AFR generally provides investment advice to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities. Client relationships vary in scope and length of service.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.



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

### Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, conferences, and company press releases. Other sources of information that AFR may use include Morningstar mutual fund and stock information, the World Wide Web, etc.

### Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy. AFR investment adviser representatives may choose their own research methods, investment style and management philosophy to implement an investment strategy seeking to achieve client's objectives. AFR's investment adviser representatives may, for example, implement a strategic asset allocation utilizing a core and satellite approach. This means that core investments comprising the majority of your portfolio, and then add actively-managed funds and other securities and assets as satellite allocations to implement a tactical approach where there are greater opportunities in the market. Portfolios may also be globally diversified to control the risk associated with traditional markets. Other strategies may include low volatility portfolios, long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

### Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy

process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

- **Commercial Paper** is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.
- **Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.
- **Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero-coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.
- **Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.
- **Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.
- **Options and other derivatives** carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

- **Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.
- **Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.
- **Buffer Exchange Traded Funds** are also known as defined outcome ETFs since the ETF is designed to offer downside protection for a specified period of time. These ETFs are modeled after options-based structured notes, but are generally cheaper, and offer more liquidity. Buffer ETFs are designed to safeguard against market downturns by employing complex options strategies. Buffer ETFs typically charge higher management fees that are considerably more than the index funds whose performance they attempt to track. Additionally, because buffer funds own options, they do not receive dividends from their equity holdings. Both factors result in the underperformance of the Buffer ETF compared to the index they attempt to track. Clients should carefully read the prospectus for a buffer ETF to fully understand the cost structures, risks, and features of these complex products.

## Item 9 Disciplinary Information

AFR is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. AFR has not been involved in legal or disciplinary events related to past or present clients.

Beth E. Lewis, while Lewis was associated with Edward Jones, had customers sign a blank form to facilitate the transfer of multiple accounts to Edward Jones rather than have the customers sign transfer request forms for each of the accounts transferred. Ms. Lewis was permitted to resign during Edward Jones's internal review of these forms. Ms. Lewis then became associated with United Planners. Thereafter, Ms. Lewis falsified the signature of a customer on an electronic transfer form moving funds from a husband's checking account to the couple's joint brokerage account. In view of the foregoing, Ms. Lewis caused her FINRA member firms to maintain inaccurate books and records, in violation of FINRA rules 4511 and 2010. State of Oklahoma Department of Securities ordered a six (6) months' suspension from January 1, 2016 to June 30, 2016 and two (2) years heightened supervision and FINRA ordered a \$5,000 fine and a three (3) months' suspension from associating with any FINRA member firm in all capacities. There were no allegations by Edward Jones or United Planners of conversion or misappropriation of client funds. If this Form ADV Part 2A is delivered electronically, and any supervised person under the firm has a disciplinary history, the details of any disclosure may be found on either the Financial Industry Regulatory Authority's (FINRA) BrokerCheck system ([www.finra.org/brokercheck](http://www.finra.org/brokercheck)) or the IAPD ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) by entering the supervised person's name or CRD number in the individual search tab and clicking the search button.

## Item 10 Other Financial Industry Activities and Affiliations

### **Financial Industry Activities**

AFR is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

### **Affiliations**

AFR has arrangements that are material to its advisory business or its clients with the following related persons:

- Advisors Plan Administrators, LLC, which is owned 100% by Access Financial Resources, Inc;
- William P. Atkinson, III, Attorney at Law;

AFR is not directly affiliated with any broker/dealer or other investment advisor. Troy E. Jones, Robert Lee Woody, Beth Lewis, and Sherry Prader are also licensed to sell certain insurance products through various insurance companies. AFR also may recommend the use of Advisors Plan Administrators, LLC, a third-party administrator, for retirement plan design and annual administration. Access Financial Resources, Inc. owns 100% of Advisor's Plan Administrators, LLC. AFR does not offer legal services; however, William P. Atkinson, III, is a licensed attorney operating independently as a sole proprietor, for which he charges a separate legal fee for work performed. Moreover, Advisor's Plan Administrators, LLC may charge an accounting/review fee of \$150.00 per outside and/or non-qualified asset per plan year.

### **Recommendations or Selections of Other Investment Advisers**

As described in Item 4 above, AFR utilizes other investment advisers to manage their accounts. However, when using another investment adviser, the client's best interest and suitability of the other investment advisers will be the main determining factors of AFR. This relationship is disclosed to the client at the commencement of the advisory relationship. Clients are not obligated, contractually or otherwise, to use the services of any other investment advisers we recommend. Additionally, AFR will only recommend another investment adviser who is properly licensed or registered as an investment adviser.

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

### **Description of Our Code of Ethics**

AFR strives to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. AFR's goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of AFR's Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

## **Personal Trading Practices**

AFR or persons associated with AFR may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities. AFR has procedures in place to review personal trading accounts for front-running or other conflicts. The personal trading reviews also ensure that the personal trading of employees and investment adviser representatives do not affect the markets. Since most employee and investment adviser representatives' trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## **Investment Advice Relating to Retirement Accounts**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, 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.

In addition, and as required by this rule, we provide information regarding the services that we provide to you, and any material conflicts of interest, in this brochure and in your client agreement.

## **Item 12 Brokerage Practices**

### **Selecting Brokerage Firms**

AFR does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. AFR recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates. AFR recommends discount brokerage firms and trust companies (qualified custodians). AFR has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides AFR with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services assist AFR in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting. Fidelity also offers other services intended to help AFR manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third-party service providers who provide a

wide array of business related services and technology with whom AFR may contract with directly. AFR is independently operated and owned and is not affiliated with Fidelity. Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. However, Fidelity keeps the 12b-1 fee associated with mutual funds on their platform and does not rebate the 12b-1 fee back to the client account.

### **Best Execution**

AFR usually reviews the execution of trades at each custodian each quarter. Trading fees charged by the custodians are also usually reviewed on an annual basis. AFR does not receive any portion of the trading fees. Please note that Fidelity keeps any 12b-1 fee associated with any fund on their platform and is not rebated to the account.

### **Soft Dollars**

Fidelity provides AFR with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). AFR receives software (WealthScape) and maintenance from Fidelity Investments, Inc. because some client assets are held at Fidelity. All clients benefit from this software as it reduces the firm's overall expenses. The selection of Fidelity Investments, Inc. as a custodian for clients is not affected by this software and maintenance.

### **Order Aggregation**

AFR generally does not aggregate transactions. If investment adviser representatives do not aggregate orders, some clients purchasing equity or fixed income securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money. Please ask your investment adviser representative if you would like more information on our practices in this respect. However, most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## **Item 13 Review of Accounts**

Your investment adviser representative will monitor your accounts on an ongoing basis and will conduct account reviews on an annual basis, or more frequently when market conditions dictate, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).



Your investment adviser representative will review financial plans as needed, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the advice provided is consistent with your investment needs and objectives. Generally, your investment adviser representative will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to: marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Such reviews and updates may be subject to our then current hourly rate. Written updates to the financial plan will be provided in conjunction with the review and may include a net worth statement, portfolio statement, tax reports, and a summary of objectives and progress towards meeting those objectives. If you implement financial planning advice, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

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

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

AFR has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

## **Item 15 Custody**

### **Account Statements**

All client accounts having assets that are held at a qualified custodian will receive account statements directly from the custodian to their address of record at least quarterly. If the client does not receive an account statement, then they are urged to contact the custodian immediately.

### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to any report provided by AFR.

### **Detailed Balance Sheets**

Clients are frequently provided net worth statements and net worth graphs that are generated from our client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are usually used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

The client approves the custodian to be used and the commission rates paid to the custodian. AFR does not receive any portion of the transaction fees or commissions paid by the client to the custodian on trades.

## Item 16 Investment Discretion

AFR accepts discretionary authority to manage securities accounts on behalf of clients. Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and appropriate trading authorization forms.

You may grant AFR discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

## Item 17 Voting Client Securities

AFR will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## Item 18 Financial Information

### Financial Condition

AFR does not have any financial condition or impairment that will preclude the firm from meeting contractual commitments to clients.

AFR does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance. An independent public accountant conducts an annual surprise examination of client funds and securities for assets AFR has custody. AFR has not filed a bankruptcy petition any time in the past ten years.

### Business Continuity Plan

#### General

AFR has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

#### Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Contacting Us - If after a significant business disruption you cannot contact us as you usually do at



405-848-9826, you should call our alternative numbers: Troy E. Jones, 405-642-3891, 405-300-5965, 405-400-7048, or [troy@afradvice.com](mailto:troy@afradvice.com); R. Lee Woody, 405-830-4988, 405-331-6436, 405-301-8803, or [lee@afradvice.com](mailto:lee@afradvice.com); William P. Atkinson III, 405-664-8877, 405-276-5028, 405-301-8796, or [bill@apaplans.com](mailto:bill@apaplans.com); Jeff Ashford, 405-650-1618, 405-331-6794, or [jeff@afradvice.com](mailto:jeff@afradvice.com); Beth Lewis, 405-657-6858, 405-331-6156, 405-301-8789, or [beth@afradvice.com](mailto:beth@afradvice.com); and Sherry Prader, 405-881-0026, 405-276-5982, 405-301-8792, or [sherry@afradvice.com](mailto:sherry@afradvice.com). You may directly access your investments through the individual providers through their phone numbers and website information provided to you on the brokerage statements.

#### Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

#### Loss of Key Personnel

At this point, AFR does not have a signed a Business Continuation Agreement with another financial advisory firm to support AFR. However, AFR has multiple Advisors, which assist each other.

### **Information Security Program**

#### Information Security

AFR maintains an information security program to reduce the risk that your personal and confidential information may be breached.

### **Privacy Notice**

AFR is committed to safeguarding the confidential information of its clients. To that end, we hold all personal information provided to our firm in the strictest confidence. These records include all personal identifiable information that is collected from you or received from third parties regarding any of the financial services provided through your advisor including, from time to time, phone recordings. We will not disclose information to non-affiliated third parties, except as required or permitted by law. If we were to anticipate an adverse material change in firm policy, we will provide you with notice before we implement the change in policy. As you know, we use health and financial information that you provide us to help you meet your personal financial goals, while guarding against any real or perceived infringements of your rights of privacy. Our policy with respect to your personal information is listed below.

First, we limit staff and agent access to information only to those who have a business or professional reason for knowing, only to non-affiliated parties as required or permitted by law. For example, federal regulations permit us to share a limited amount of information about you:

- when required to execute transactions for your account or otherwise provide services that you have requested (this includes communicating with your trustee, accountant, third-party administrator, or lawyer who is acting in a fiduciary capacity on your behalf);
- when you have specifically authorized us to do so in writing;
- to provide information to agencies assessing our firm's compliance with industry standards, and to our attorneys, accountants, and auditors;
- to respond to a regulator's examination of our firm;
- to defend against a client allegation, or
- to comply with a civil, criminal, or regulatory investigation by federal, state or local authorities.

Second, we strive to maintain a secure office and computer environment to ensure that your personal information is not placed at risk. The AFR location maintains its hard copy and/or electronic books and records at 3621 NW 63rd Oklahoma City, Suite A-1, OK 73116 for the first 2 years. Thereafter, such

file may be maintained in storage. The AFR backs up its records to an off-site location.

Third, the categories of nonpublic personal information that we collect from a client depend upon the scope of the client engagement. It will include information about your personal finances, information about your health to the extent that it is needed for the planning process, and information about transactions between you and third parties.

Fourth, we do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.

Fifth, personally identifiable information about you will be maintained during the time you are a client, and for the required time thereafter that such records are required to be maintained by federal and state securities laws. After this required period of record retention, all such information will be destroyed.

Should you have any questions about our privacy statement or wish to opt out of a particular method regarding how we use or store your information, then please write or call William P. Atkinson, III, 3621 NW 63rd Oklahoma City, Suite A-1, OK 73116 405-848-9826.

## **Item 19 Requirements for State-Registered Advisers**

AFR is a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.