

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page



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**Baker Financial Services, LLC**  
**1415 W. Randol Mill Road**  
**Arlington, TX 76012**  
**IARD # 112248**  
<http://www.bakerfinancial.net/>

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This brochure provides information about the qualifications and business practices of Baker Financial Services, LLC. It is prepared pursuant to regulatory requirements. If you have any questions about the contents of this brochure, please contact us at the phone number or website listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about Baker Financial Services, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Dated: March 13, 2024**

## Item 2 Material Changes

This Form ADV, Part 2, also known as the “Brochure”, requires disclosure on distinct topics, and answers must be presented in the order of the items in the form, using the headings in the form. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

### **Summary of Material Changes:**

Please note that there were no “material changes” made to this Brochure since our last delivery or posting of the Brochure on the SEC’s public disclosure website; however, this Brochure does include a number of minor editorial changes and the updated information on our assets under management.

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## Item 4 Advisory Business

### INTRODUCTION

Gerald Baker Financial Group, LLC dba Baker Financial Services (herein referred to as “Baker Financial,” “Firm,” “we,” “our,” “us”) is a Registered Investment Advisory firm registered with the U.S. Securities and Exchange Commission (SEC) since May 20, 1999. We are noticed filed in our home state of Texas which means we are registered to do business in this state. We conduct business in other states by claiming an exemption from registration. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide you with, including this Brochure, is information you can use to evaluate us and other advisers, which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship. This Brochure provides information about our qualifications and business practices.

### OWNERSHIP

Gerald Baker Financial Group, LLC is a limited liability company headquartered in Arlington, Texas. Gerald R. Baker, President, is the sole member of the business.

### ADVISORY SERVICES OFFERED

Baker Financial is an investment advisory firm providing:

- Portfolio Management Services
- Financial Planning Services
- Advisory Consultation Services

Our service constitutes an ongoing process by which:

- a) Your investment objectives, constraints and preferences are identified and specified;
- b) Your strategies are developed and implemented through a combination of financial assets;
- c) Capital market conditions and your circumstances are monitored; and
- d) Portfolio adjustments are made as appropriate to reflect significant changes to any or all of the above relevant variables.

### PORTFOLIO MANAGEMENT SERVICES:

We are a professional investment advisory firm committed to managing the assets of individuals, families, trusts, estates, charitable organizations, corporations and retirement plans. The investments are determined based upon your investment objectives, risk tolerance, net worth, net income, age, investment time horizon, tax situation and other various suitability factors.

Investment advisory services will include investment selection recommendations and portfolio management advice for your investment portfolio on a continuing basis. We can include the review, recommendations, and/or analysis of investment assets on a periodic basis agreed to by you and our firm. Investments utilized include, but are not limited to, cash equivalents, stocks, bonds, mutual funds, and annuities and will also include regular quarterly reports.

Our portfolio management is based on a discretionary and non-discretionary basis. On a discretionary basis, we will design, revise and reallocate custom portfolios for you. Our non-discretionary basis is with consultations with each client prior to trading being made. Portfolio management trading will be on a continuous and regular basis.

Custody of your accounts for both securities and funds will be maintained at Charles Schwab & Co., Inc., (Member FINRA/SIPC) or other designated custodian selected by you. Neither our Firm nor its advisory agents are affiliates of Charles Schwab & Co., Inc.

### FINANCIAL PLANNING SERVICES:

We provide advice in the form of a Financial Plan or by an analysis of specific areas. Our financial planning service will address any or all of the following areas of concern:

- Personal: Family records, budgeting, personal liability, estate information and financial goals.
- Tax & Cash Flow: Income tax and spending analysis and planning for past, current and future years. We will illustrate the impact of various investments on your current income tax and future tax liability.
- Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement: Analysis of your current strategies and investment plans to help you achieve your retirement goals.

We will collect the pertinent data, conduct personal interviews with you, prepare computer-assisted analyses of the financial data, and present a written financial plan to you based upon the objectives and priorities stated by you. We will be available to help you implement the recommendations. Implementation of the prepared plan or recommendations is solely at your discretion, and we encourage you to utilize any desired professional or group of professionals to assist in the implementation.

#### **CONSULTING SERVICES:**

You can also receive investment advice on a more limited basis. This includes advice on only an isolated area(s) of concern such as estate planning, retirement planning, life insurance evaluation, elder care review, estate tax calculation, college education funding or any other specific topic. We provide specific consultation services regarding your current or projected financial position or other investment and financial concerns that you have.

We do not sponsor or act as a portfolio manager for any wrap fee programs.

#### **ASSETS UNDER MANAGEMENT:**

As of December 31, 2023, Baker Financial had approximately \$741,000,000 in assets, all of which are managed on a discretionary basis. Baker Financial does not have any non-discretionary assets under management.

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

#### **PORTFOLIO MANAGEMENT PROGRAM FEE SCHEDULE:**

<u>Total Assets Managed</u>	<u>Annual Fees</u>
\$0 to \$249,999	\$2,500 Annually
\$250,000 to \$999,999	1.000%
\$1,000,000 to \$2,499,999	0.875%
\$2,500,000 to \$4,999,999	0.750%
\$5,000,000 to \$9,999,999	0.500%
\$10,000,000 and over	0.375%

Our fee for investment advisory services shall be what was agreed upon and executed at the initial engagement meeting. We agree to notify you promptly if there is a rate increase in our fees. We also retain the right to discount fees or negotiate the above fees to potential or current clients, all within our discretion.

Our fee will be payable quarterly in arrears. Fees are calculated on the value of all assets under management on the last business day of the quarter by multiplying the assets under management market value by the above annual rate and dividing such product by four (4). New clients will be pro-rata billed to the next valuation date based on assets placed with us.

Portfolio Management fees will be directly deducted from your account at the custodian from your accounts within thirty (30) days following the end of the quarter. We will send the qualified custodian written notice of the amount of the fee to be deducted from your account.

We and/or the custodian shall provide written notice/invoice documentation reasonably supporting the determination of the investment advisor fees. The Custodian will send to you a quarterly Account statement that shows the amount of our advisory fee, the value of your assets upon which the fee was based, and the specific manner in which the fee was calculated. We will verify that the Custodian sends Account statements on a quarterly basis.

You should compare invoices for advisory fees to the corresponding custodian statement. Statements should be received from the custodian no less than quarterly. If statements are not received, contact us immediately.

**Additional Types of Fees or Expenses:**

Portfolio Management fees do not include certain charges imposed by third-parties which include, but are not limited to, the following: mutual fund or money market 12b-1 and sub transfer fees, fund or money market management fees and administrative expenses, mutual fund transaction fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, IRA and qualified retirement plan fees, and other charges required by law. Additional fees can be incurred while the funds are in a money market fund or other no-load fund. These fees are charged and collected by the mutual funds and are not refundable to Client.

**Termination:**

The agreement shall remain in full force and effect until terminated by either party. The agreement can be terminated by either party upon receipt of written notice from the other party. The fees for the quarter in which termination of the agreement occurs shall be refunded on a pro-rata basis. Upon termination of the agreement, we will have no obligation to take any action with regard to investments in your account(s).

**FINANCIAL PLANNING SERVICES FEE SCHEDULE:**

The compensation for the preparation of an initial financial plan is based upon our estimate of the total time required to complete the plan. A minimum and maximum fee will be stated in your agreement. One-half of the minimum fees will be due upon you signing the agreement. The remaining fee will be billed to you upon delivery of the plan. In no event, however, shall the fee total exceed the maximum fee, or shall the plan not be completed within six months.

Renewal fees are based on actual time required to provide review and updating of your financial plan and to provide other services as requested by the client. The fees will be based on an hourly rate of \$200 for an advisory agent time and \$50 for staff time.

**Termination:**

The agreement shall remain in full force and effect until terminated by either party. The agreement can be terminated by either party upon receipt of written notice from the other party. The fees for the quarter in which termination of the agreement occurs shall be refunded on a pro-rata basis. Upon termination of the agreement, we will have no obligation to take any action with regard to your account(s).

**CONSULTING SERVICE FEE SCHEDULE:**

We provide financial planning and/or investment advice on an hourly fee basis for specific questions or situations, as requested by you. The fees will be based on an hourly rate of \$200 for an advisory agent time and \$50 for staff time.

**Termination:**

The agreement shall remain in full force and effect until terminated by either party. The agreement can be terminated by either party upon receipt of written notice from the other party. The fees for the quarter in which termination of the agreement occurs shall be refunded on a pro-rata basis. Upon termination of the agreement, we will have no obligation to take any action with regard to your account(s).

**ERISA Accounts, Profit Sharing 401(k), SEP's:**

We also have other retirement accounts which are subject to ERISA rules and regulations. In all cases an "eligible investment advice arrangement" or advisory agreement will be executed with the Client. We will be considered a "fiduciary advisor" and will charge fees to the retirement account.

**Other Compensation Received by our advisory agents:**

Our advisory agents are registered representatives, principals and owners of GRB Financial, LLC. In this capacity, our advisory agents sell securities through GRB Financial, LLC and receive normal and customary commissions and/or 12b1-fees as a result of such purchases and sales. This presents a conflict of interest to the extent that the advisory agent recommends that you invest in a security which results in a commission being paid to the advisory agent. You are under no obligation to transact your business through GRB Financial, LLC.

Advisory Agents of the Firm are also licensed insurance agents for various other companies. If you elect to implement the plan or buy insurance through the Firm's advisory agents, they receive a commission from insurance sales, which includes life, accident, disability and fixed annuities. This presents a conflict of interest to the extent that the advisory agent recommends the purchase of an insurance product to you which results in a commission being paid to the advisory agent as an insurance agent. We have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that have products fitting your needs.

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

We do not charge performance-based fees, nor do we provide side by side management services.

**Item 7 Types of Clients****Client Base:**

Our customer base consists of individuals, pension and profit-sharing plans, IRA's, 401(K) participants, trusts, estates charitable organizations, corporations and other business entities. These are the types of clients that we service.

**Conditions for Account Management:**

We have not imposed a minimum account size of assets to be managed by us.

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

Our Investment Philosophy is:

**❖ Preservation of Capital**

Our objective is to grow capital for our client's future needs. However, our most basic responsibility is to guard a client's principal through diversification.

**❖ Long Term Investment View**

We expect to be long-term investors not short-term traders. However, if market conditions deteriorate, we will reduce stock allocations.

**❖ Passive Versus Active Investing**

Although we realize that markets are mostly efficient, we also recognize that a small percentage of talented managers can and have outperformed the various market

indexes over the long term. Our portfolios utilize broad market indexes as a performance hedge in concert with active advisory agents who have a track record of superior performance.

At Baker Financial, we build our clients' portfolios using an asset allocation approach. This approach employs large capitalization, mid-capitalization and small capitalization stocks both with a growth and value bias. International stocks, real estate and commodities are also utilized, when appropriate.

To build our asset class portfolios, we use a broad universe of actively managed mutual funds, exchange traded funds (ETFs), individual stocks and bonds. Annually, BFS screens more than 12,000 mutual funds in an effort to find funds that have consistently performed within the top 25% of their peers. Other selection criteria include reasonable expense ratios, acceptable risk levels and managers that add value above their peer average. We then break down portfolios into five areas:

#### ❖ Fixed Income

Certificates of deposit, individual bonds and bond mutual funds are used to provide income and reduce volatility. We diversify by credit quality, including, but not limited to U.S. Treasuries, Investment Grade Corporates and High Yield; and by location - domestic bonds or foreign. Real Estate Investment Trusts can also be employed.

#### ❖ Core

Active mutual funds and a total market index create a broadly diversified portfolio of large-cap, mid-cap and small-cap domestic stocks.

#### ❖ Tactical

This part of the portfolio emphasizes stocks by size and by a defensive or aggressive investment objective. During strong stock market performance, more aggressive funds may be used. In difficult times, a more conservative fund may be used.

#### ❖ Sector

Various sectors of the market are emphasized. This may include energy, healthcare, technology, consumer discretionary and utilities. Sectors are selected on the basis of valuation and relative strength.

#### ❖ International

Global markets are diversified by style, size and location.

### Sources of Information

The sources of information that Baker Financial uses to analyze these investment strategies are:

- Financial newspapers and magazines.
- Inspections of corporate activities.
- Research materials prepared by others.
- Annual reports, prospectuses, filings with the SEC.
- Company press releases.

**Risk of Loss:** Investing in securities involves risk of loss that clients should be prepared to bear. The advice offered by us to you is determined by the areas of expertise of the advisory agent providing the service and your stated objective. You are advised to notify us promptly if there are ever any changes in your financial situation or investment objective or if you wish to impose any reasonable restrictions upon our management services. If you wish to impose any reasonable restrictions upon our management services, you will need to advise us in writing of any restrictions.



We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. All securities trading, whether in stocks, options, or other investment vehicles, is speculative in nature and involves substantial risk of loss that clients should be prepared to bear. Past performance is not necessarily indicative of future results. Clients should make every effort to understand the risks involved.

**The Principle Risks of Investing include, but are not limited to:**

**General Risks:** Your investments with us are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Accordingly, you can lose money by investing with us. When you sell your investments, they can be worth less than what you paid for them because the value of investments will fluctuate reflecting day-to-day changes in market conditions, interest rates and a number of other factors.

**Allocation Risk:** Our allocation of investments among different asset classes, such as equity or fixed-income assets classes, can have a more significant effect on your returns when one of these classes is performing more poorly than others.

**Market Risk:** Stock and bond markets often trade in random price patterns, and prices can fall over sustained periods of time. The value of the investments we make for you will fluctuate as the financial markets fluctuate. This could result in your account value(s) declining over short- or long-term periods of time.

**Focused and Concentrated Portfolio Risks:** We will often invest your assets in a smaller number of securities than other broadly diversified investment strategies. Our approach is often referred to as "focused, concentrated, or non-diversified." Accordingly, the money we manage for you can have more volatility and is often considered to have more risk than a strategy that invests in a greater number of securities because changes in the value of a single security can have a more significant effect, either negative or positive, on your overall portfolio value. To the extent we invest your assets in fewer securities, or we invest in non-diversified funds that take a focused or concentrated approach, your assets are subject to greater risk of loss if any of those securities become permanently impaired.

**Equity Risk:** Your investments will be subjected to the risk that stock prices can fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities in your portfolio can fluctuate drastically from day to day. Individual companies can report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies can suffer a decline in response. These factors will contribute to the volatility and risk of your assets.

**Special Situation Risk:** We can invest your assets in special situations. Investments in special situations involve greater risks when compared to other strategies due to a variety of factors.

Expected changes may not occur, or transactions can take longer than originally anticipated, resulting in lower returns than contemplated at the time of investment. Additionally, failure to anticipate changes in the circumstances affecting these types of investments can result in permanent loss of capital, where we may be unable to recoup some or all of its investment.

**Foreign Securities Risk:** We have the ability to invest in foreign securities, and, from time to time, a significant percentage of your assets can be composed of foreign investments. Foreign investments involve greater risk in comparison to domestic investments because foreign companies/securities: can have different auditing, accounting, and financial reporting standards; cannot be subject to the same degree of regulation as U.S. companies and can have less publicly available information than U.S. companies; and are often denominated in a currency other than the U.S. dollar.

**Currency Risk:** Your investments can be subject to currency risk. Currency fluctuations and changes in the exchange rates between foreign currencies and the U.S. dollar could negatively affect the value of your investments in foreign securities.

**Interest Rate Risk:** Your investments are subject to interest rate risk. Interest rate risk is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise. For example, fixed-income securities with long maturities typically experience a more pronounced change in value when interest rates change.

**Credit Risk:** Your investments are subject to credit risk. An investment's credit quality depends on its ability to pay interest on and repay its debt and other obligations.

**Small- to Medium-Capitalization Risk:** We can invest your assets in small to medium-sized companies. Shares of small to medium sized companies can have more volatile share prices. Furthermore, the securities of small to medium companies often have less market liquidity and their share prices can react with more volatility to changes in the general marketplace.

**Junk Bond/High-Yield Security Risk:** We can invest your assets in Junk Bonds or High-Yield, lower rated securities. Investments in fixed-income securities that are rated below Investment grade can be subject to greater risk of loss of principal and interest than investments in higher-rated fixed-income securities. The market for high yield securities can be less liquid than the market for higher-rated securities. High yield securities are also generally considered to be subject to greater market risk than higher-rated securities. The capacity of issuers of high yield securities to pay interest and repay principal is more likely to weaken than is that of issuers of higher-rated securities in times of deteriorating economic conditions or rising interest rates.

**Prepayment Risk:** Your investments can be subject to prepayment risk. Prepayment risk occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a security can be difficult to predict and result in greater volatility.

**Inflation Risk:** This is the risk that the value of your assets or income investments will be less in the future as inflation decreases the value of your money. As inflation increases, the value (purchasing power) of your assets can decline. This risk increases as we invest a greater portion of your assets in fixed-income securities with longer maturities.

**Liquidity Risk:** Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing us from selling out of these illiquid securities at an advantageous price.

#### **Information Security Risk:**

Clients may be susceptible to risks to the confidentiality and security of \*Short Adviser Name\*'s operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisors. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability for us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.

## Item 9 Disciplinary Information

Our Firm does not have any material facts about legal or disciplinary events that are material to your evaluation of the integrity of our firm or its advisory agents to disclose. Your confidence and trust placed in our Firm and its advisory agents is something we value and endeavor to protect.

## Item 10 Other Financial Industry Activities and Affiliations

### **Related Entity Relationships:**

#### GRB Financial, LLC:

Our owners, officers, partners, directors, advisory agents or persons holding similar status or performing similar functions are registered representatives, principals and owners of GRB Financial, LLC. In this capacity, our advisory agents sell securities through GRB Financial, LLC and receive normal and customary commissions and/or 12b1-fees as a result of such purchases and sales. This presents a conflict of interest to the extent that the advisory agent recommends that you invest in a security which results in a commission being paid to the advisory agent.

### **Non-Related Entity Relationships:**

#### Charles Schwab & Co., Inc.:

Custody of your accounts for both securities and funds will be maintained at Charles Schwab & Co., Inc., (Member FINRA/SIPC) or other designated custodian selected by you. Neither our Firm nor its advisory agents are affiliates of Charles Schwab & Co., Inc.

#### Various Insurance Companies:

Our owners, officers, partners, directors, advisory agents or persons holding similar status or performing similar functions are also licensed insurance agents for various other companies. If you elect to implement the plan or buy insurance through the Firm's advisory agents, they receive a commission from insurance sales, which includes life, accident, disability and fixed annuities. This presents a conflict of interest to the extent that the advisory agent recommends the purchase of an insurance product to you which results in a commission being paid to the advisory agent as an insurance agent. We have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that have products fitting your needs.

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

### **Code of Ethics:**

We have adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by our advisory personnel and have established standards of conduct expected of our advisory personnel. We have set forth in the Code of Ethics Policy statements of general principles, required course of conduct, reporting obligations, and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective clients upon written request.

### **Participation or Interest in Client Transactions / Personal Trading:**

Our owners, officers, partners, directors, advisory agents or persons holding similar status or performing similar functions are also registered securities representatives of GRB Financial, LLC (Member FINRA/SIPC), an affiliated registered broker-dealer. The advisory agents will receive compensation from GRB Financial, LLC in connection with security transactions effected for the accounts the advisory agents manage for our firm. Therefore, there is a financial incentive to use GRB Financial, LLC to effect security transactions for the client accounts. You are under no obligation to transact business through GRB Financial, LLC.

Our owners, officers, partners, directors advisory agents or persons holding similar status and employees, on occasion, have or take positions in securities that are being or have been recommended to you. Such investment positions are limited to passive, non-controlling interests in securities. These investment products will be bought and sold on the same basis as you buy them. We will transact your transactions and business before their own when similar securities are being bought or sold. In all instances, the positions would be so small as to have no impact on the pricing or performance of the security. We will do everything possible to mitigate these conflicts. Records of all advisory associate's proprietary trading activities are reviewed and kept by us. All personal securities transactions on behalf of our advisory agents, employees and employee-related accounts must be:

- Executed in an approved broker dealer account
- Pre-approved where required by our policies
- In compliance with our policies regarding inside and proprietary information, watch list, restricted list, holding period and other conflicts of interests

We and our advisory agents will act in a fiduciary manner and understand the prohibitions against the use of any insider information and will always act in your best interest.

## Item 12 Brokerage Practices

### **Brokerage Selection:**

When we are granted sole discretionary authority over your account(s) we determine the securities to be bought or sold, their amounts, and the broker to be used, without specific consultation with you as deemed to be in your best interest and to achieve your stated investment objectives.

We utilize GRB Financial, LLC or Charles Schwab & Co., Inc. (Members FINRA/SIPC), as the broker-dealer for the execution of securities transactions. Custody of your accounts for both securities and funds will be maintained at the designated custodian and clearing firms for GRB Financial, LLC or Charles Schwab & Co., Inc.

We at times, participate in a trading service ("Prime Broker") which enables trades to be placed through a broker other than the custodian. In these instances, we have the ability to select the executing broker. We generally will seek competitive commission rates but will not necessarily attempt to obtain the lowest possible commission for transactions for your account(s).

Factors which we consider when recommending broker-dealers include their respective financial strength, reputation, execution, pricing, research and service. We understand and acknowledge that at all times we owe a fiduciary duty to you to obtain best execution for your transactions. We believe that our relationship with GRB Financial, LLC or Charles Schwab & Co., Inc. helps us to execute securities transactions for you in such a manner that your total cost in each transaction is as favorable as possible under prevailing market conditions. However, accounts with GRB Financial, LLC or Charles Schwab & Co., Inc., full-service broker/dealers, cannot obtain best execution at all times. The commissions and/or transactional fees charged by GRB Financial, LLC or Charles Schwab & Co., Inc. to you can be higher or lower than those charged by another broker-dealer.

It is our policy to select brokers on the basis of the best combination of cost and execution capability. Subject to its best execution obligations, we intend to use the broker-dealer to affect all or substantially all client securities transactions.

You are not obligated to transact business through GRB Financial, LLC or Charles Schwab & Co., Inc.

### **Research and other Soft Dollar Benefits:**

Neither our firm nor our owners, officers, partners, directors, employees, advisory agents or persons holding similar status receive research or other products outside of execution and support services in connection with your custody and security transactions with a broker-dealer.

**Directed Brokerage:**

If you want to direct us to use a particular broker dealer to handle security transactions, then you are responsible for the custodian fee arrangement. You should understand that this might prevent us from effectively negotiating brokerage compensation or obtaining the most favorable net price and execution. When directing brokerage business, you should consider whether the commission expenses, execution, clearance and settlement capabilities that you will obtain through another broker dealer are adequately favorable in comparison to those that our Firm would otherwise obtain for you using GRB Financial, LLC or Charles Schwab & Co., Inc. We do evaluate periodically the execution performance of the brokers-dealers including GRB Financial, LLC or Charles Schwab & Co., Inc. We encourage you to discuss available alternatives with our advisory agents.

**Brokerage for Client Referrals:**

Neither our Firm nor our Advisory Agents receive client referrals from a broker dealer or other third party when recommending to you a broker-dealer for the execution of securities transactions.

**Trade Aggregation:**

At times we aggregate trades for you, trading in one "block" for the ease of execution and to obtain better pricing. When trading in one "block" where pieces are executed at different prices, an average price is given to all participants in the trade, ensuring that all clients are treated fairly.

## Item 13 Review of Accounts

Account reviews will be provided quarterly, but at a minimum shall be reviewed annually or by your request. Reviews can be warranted more frequently due to tax law changes, market changes, market conditions or changes in your personal circumstances. Reviews initiated by you can be for personal objectives or for any reason you so desire.

Financial planning reviews are done on an annual basis, or as requested by you. The level of the review can be comprehensive or based upon a specific area of concern. Reviews can be due to material changes in your financial situation or specific events that require review or modification to the plan.

The review will be conducted by Gerald R. Baker, Manager, Cliff E. Mead, Portfolio Manager, David M. Wilkins, Financial Planner and Advisory Agent, and Chad M. McMillan, Chief Compliance Officer, Financial Planner and Operations Manager, and will be consistent with desires of you respecting frequency and changing circumstances or objectives.

Statements, confirmations and performance reports are furnished from various financial services institutions or firms with which you transact business. These firms include, and are not limited to, brokerages, investment companies, insurance companies, trust companies, other registered investment advisors, banks and credit unions. You will receive from us quarterly performance reports that detail the current value of each position, asset allocation, rate of return, aggregate account value, and other pertinent information. We assist you in interpreting and/or compiling statements/reports and transferring relevant information onto the appropriate place on your financial statements as part of the review process.

We provide written reports to financial planning clients that consist of current balance sheet, cash flow projections, and retirement/accumulation projections. The reports include any, or all, of the above or other situation specific reports dependent upon each client's requests or financial situation.

## Item 14 Client Referrals and Other Compensation

### **Client Referrals:**

We do not have any arrangements to compensate another for client referrals.

### **Other Compensation:**

No other compensation is received other than what is already disclosed.

## Item 15 Custody

Under government regulations, we are deemed to have custody of your assets since you authorize us to instruct your custodian to deduct our advisory fees directly from your account. We do not maintain physical custody of your accounts nor are we authorized to hold or receive any stock, bond or other security or investment certificate or cash that is part of your account. Your funds and securities will be physically maintained with a "qualified custodian" as required under Rule 206(4)-2 under the Investment

Adviser Act. Your accounts for both securities and funds will be maintained at a designated custodian and clearing firm. Account statements are sent quarterly from the custodian, and you should carefully review those statements including comparison to any reports we send to you.

Related persons of our firm have custody over client accounts through their appointed role as their client's trustee. Our related persons perform this trustee service at no additional charge to the client and is provided as part of the client's management service. The role of trustee is established by the client designating the related person in a formalized legal document. Clients will receive quarterly statements from their custodian, and these statements should be reviewed carefully and compared to quarterly statements sent by our firm. Surprise audits of trustee accounts are performed by an independent public accountant.

## Item 16 Investment Discretion

Portfolio management provided on a discretionary basis is granting us sole and absolute discretion in the management of your portfolio and periodic re-balancing to the asset class target percentages as outlined in your Advisory Agreement except with respect to payment of the Firm's Fees. In the exercise of this authority, we are fully authorized and empowered to place orders to brokers, dealers, mutual funds, or other persons with respect to the purchase, sale, exchange, disposition or liquidation of any assets held in your portfolio. When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients for which we advise. Investment guidelines and restrictions must be provided to us in writing.

Portfolio management provided on a non-discretionary basis is with consultations with each client prior to trading being made. Portfolio management trading will be on a continuous and regular basis and effected through a Limited Power of Attorney, granting us the right to place trades in your accounts without obtaining prior permission from you. We have limited trading authority to determine the amounts of securities to be bought and sold. These amounts are limited by the value of the funds and securities in the account, and the allocation and diversification restrictions are predetermined by you. We provide periodic recommendations to you and if such recommendations are approved, we will ensure that the authorized recommendations are carried out.

We only direct funds transferred to an account bearing the same name, with the exception of the deduction of our management fees. Transactions are limited to stocks, bonds, mutual funds, and money market instruments.

## Item 17 Voting Client Securities

We do not have the authority to and do not vote proxies on behalf of advisory clients. Clients retain the responsibility for voting proxies for any and all securities maintained in client portfolios. To this end, we instruct the custodian to forward all proxy material directly to you. We shall forward any proxy materials we receive that pertain to the assets in your client accounts to you, or to the advisor(s) for an employee benefit plan covered by ERISA, unless the plan's trust agreement provides otherwise. You can contact our office at 817-861-7099 for any questions about a particular solicitation.

## Item 18 Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to you.

## Item 19 Requirements for State Registered Advisers

Not applicable, we are an SEC registered investment adviser.