

**Part 2A of Form ADV: *Firm Brochure***

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3/28/2024

**This brochure provides information about the qualifications and business practices Richardson Financial Services, Inc. (“RFS” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us by telephone at (508) 533-2335 or by email at [info@rfsria.com](mailto:info@rfsria.com). 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.**

**Additional information about RFS is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for RFS is 130715.**

**Item 2. Summary of Material Changes**

Since the last annual updating amendment filing of this Form ADV Part 2A (“Firm Brochure”) dated March 30, 2022, we have not made any material changes to our business.

**Item 3. Table of Contents**

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#### **Item 4.        Advisory Business**

RFS is a fee-based registered investment adviser with its principal place of business located in Medway, Massachusetts. We have been in business since 1997, with Steven Michael Richardson as the majority owner and President.

We currently offer the following advisory services:

##### Financial Planning Services

Financial planning is an evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan 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 a client's 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 current strategies and investment plans to help the client achieve his or her retirement goals;

Investments: Analysis of investment alternatives and their effect on a client's portfolio;

Estate: Analysis of financial issues with respect to living trusts, wills, estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law; and

Insurance: Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

We gather required information through in-depth personal interviews. Information

gathered includes a client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should a client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion. Clients have the option of implementing their financial plan through our firm.

Our planning recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding exchange-listed and over-the-counter securities, corporate debt securities, certificates of deposit, municipal securities, United States governmental securities, variable life insurance, variable annuities, and mutual funds.

Typically, the financial plan will be presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided by the client.

#### AssetMark Inc. Platform

We advise on client portfolios by utilizing the AssetMark Inc. ("AssetMark") wrap fee program ("AssetMark Platform"). AssetMark, an unaffiliated independent SEC-registered investment adviser, is the sponsor of the AssetMark Platform. The AssetMark Platform provides a selection of investment managers and strategies that represent a diversification of asset classes and investment approaches. We select the appropriate investment managers to construct a client's investment portfolio that is consistent with their individual risk profile. We engage AssetMark to conduct initial and ongoing due diligence on the investment managers available on the AssetMark Platform. Annually we conduct due diligence on AssetMark and their oversight of the third-party managers we utilize on their platform. If granted investment discretion by the client, we may hire and fire these managers, move, or re-allocate client funds from one manager to another, or from one model to another. Clients should refer to AssetMark's Form ADV Part 2A and Part 2A Appendix I wrap fee brochure for additional information about the AssetMark Platform.

#### Envestnet Asset Management, Inc. Platform

We also advise on client portfolios by utilizing the Envestnet Asset Management, Inc. ("Envestnet") wrap fee program ("Envestnet Platform"). Envestnet, an unaffiliated independent SEC-registered investment adviser, is the sponsor of the Envestnet Platform. The Envestnet Platform provides a selection of investment managers and strategies that represent a diversification of asset classes and investment approaches. We select the appropriate investment managers to construct a client's investment portfolio that is consistent with their individual risk profile. We engage Envestnet to conduct initial due diligence on the managers we utilize on the Envestnet Platform. In addition, at least annually, we conduct due diligence on Envestnet and their oversight of the third-party managers on their platform. Through the Envestnet Platform, our firm provides

mutual fund and exchange traded fund (“ETF”) allocation services, including access to the Separately Managed Accounts (“SMA”), ActivePassive Portfolios, PMC Sigma Mutual Fund Solutions (“MFS”), PMC Strategic ETF Solutions, Unified Managed Account (“UMA”), PMC Multi Manager Account (“PMC MMA”), PMC Impact Quantitative Portfolios™ and Third-Party Fund Strategists programs available within the Envestnet Platform. If granted investment discretion by the client, we may hire and fire these managers, move, or re-allocate client funds from one manager to another, or from one model to another. Clients should refer to Envestnet’s Form ADV Part 2A and Part 2A Appendix I wrap fee brochure for additional information about the Envestnet Platform.

### Services in General

We tailor all of our financial planning and portfolio management recommendations to the individual needs of each client. All such recommendations are based on information gathered through client questionnaires, telephone and in-person discussions.

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 of 1974, as amended (“ERISA”) and/or the Internal Revenue Code (the “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.

### Retirement Rollover Recommendations

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 of 1974, as amended (“ERISA”) and/or the Internal Revenue Code (the “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.

When providing recommendations to retirement plan accounts involving rollover considerations, there are generally four options regarding an existing retirement plan account. An employee may use a combination of those options, such as; (i) leave the funds in the former employer's plan, if permitted, (ii) roll over the funds to a new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the individual's age, result in adverse tax consequences). If your designated investment adviser representative recommends that you rollover your retirement plan assets into an account to be managed by our firm, such recommendation creates a conflict of interest insofar as we will earn an advisory fee on the rolled over assets. You are under no obligation to roll over retirement plan assets to an account managed by us.

As of December 31, 2023, RFS had approximately \$167,203,907 in regulatory assets under management on a discretionary basis. Separately from assets under management, RFS has \$12,840,667 under advisement on a non-discretionary basis.

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

### Financial Planning Services

For this service, at our discretion based on the complexity of a client's financial situation, we charge either a one-time fixed fee, typically ranging from \$2,000 to \$7,500, or hourly fees, typically at a rate of \$250 per hour. Up to 50% of the fee is typically due upon signing the financial planning agreement with the balance due upon presentation of the plan or other work product to the client.

At our discretion, we reduce these fixed fees if a Financial Planning client chooses to engage our firm for its other advisory or non-advisory services.

### AssetMark Platform

Clients participating in the AssetMark Platform will pay a total “wrap fee” ranging from 1.5% to 2.2% of assets under management, depending on the investment solution selected. This total fee includes our advisory fee, typically 1.00% of assets under management, and AssetMark's fee ranging from 0.50% to 2.5% of assets under management. Cash is considered an asset class, funds held in a cash account are charged the same management fees as other assets the firm manages.

AssetMark collects fees quarterly, in advance, and remits us our portion of the total fee. Clients may terminate AssetMark accounts at any time and receive a full pro-rata refund of any unearned fees. We do not control AssetMark's billing features. Clients should refer to AssetMark's Form ADV Part 2 and Part 2A Appendix I wrap fee brochure for additional fee and billing information.

### Envestnet Platform

Clients participating in the Envestnet Platform will pay a total “wrap fee” ranging from .60% to 2.2% of assets under management, depending on the investment solution selected. This total fee includes our advisory fee, typically not more than 1.00% of assets under management, and Envestnet's fee ranging from 0.50% to 2.5% of assets under management. Cash is considered an asset class, funds held in a cash account are charged the same management fees as other assets the firm manages.

Unless otherwise agreed to by the client and RFS, program fees are charged on a calendar quarter basis in advance and prorated to the end of the quarter upon inception of the account. Envestnet's billing services can accommodate different billing calculations. These customizations, such as billing in arrears or billing accounts based on the average daily balance, result from customizations requested by the Advisor. Envestnet calculates the RFS fee, deducts their program fee, RFS fee, and the custodian fee from the client's account and remits us our portion of the total fee. Either Envestnet or the client may terminate the agreement with Envestnet at any time, for any reason, upon receipt of 30 days prior written notice. Clients will receive a prorated refund of any pre-paid quarterly program fee, based upon the number of days remaining in the quarter after the termination date. We do not control Envestnet's billing features. Clients should refer to Envestnet's Form ADV Part 2 and Part 2A Appendix I wrap fee brochure for additional fee and billing information. On a quarterly basis, RFS verifies fee calculations were made correctly.

The standard fee schedules for Envestnet's Programs are below, but lower fees may be separately negotiated by RFS:

Amount	Equity/ Balanced SMA Portfolios	SMA Portfolios*		PMC Liquid Alternatives	PMC Quantitative Portfolios™
		Fixed Income SMA Portfolios	Funds		
First \$250,000	0.50%-1.81%	0.50%-1.50%	0.27%-0.69%	0.45%-0.75%	0.05%-0.55%
Next \$250,000	0.50%-1.56%	0.50%-1.31%	0.27%-0.50%	0.45%-0.63%	0.05%-0.55%
Next \$500,000	0.50%-1.50%	0.50%-1.25%	0.25%-0.41%	0.45%-0.63%	0.05%-0.55%

Next \$1,000,000	0.50%-1.36%	0.50%-1.21%	0.23%-0.38%	0.45%-0.63%	0.05%-0.55%
Next \$3,000,000	0.50%-1.26%	0.50%-1.20%	0.23%-0.36%	0.45%-0.63%	0.05%-0.55%
Over \$5,000,000	0.50%-1.26%	0.50%-1.20%	0.23%-0.35%	0.45%-0.63%	0.05%-0.55%

\* The fee charged depends on the manager(s) selected. Fees are calculated on a per account basis. Mutual funds, ETFs and other Funds have internal operating expenses that they charge that are separate than the fees shown in this table. Please see the prospectus or related disclosure document for information regarding these fees. Envestnet and its affiliates do not retain 12b-1 fees from mutual funds in which Clients invest. Any 12b-1 fees inadvertently received shall be returned to the fund company.

Amount	Asset Allocation Programs*			
	Foundation Portfolios	MFS and PMC Strategies	PMC Strategic ETF Solutions	Third Party Fund Strategist
First \$250,000	0.10% - 0.25%	0.20%-0.81%	0.10%-1.00%	0.19%-0.94%
Next \$250,000	0.10% - 0.25%	0.20%-0.63%	0.10%-0.81%	0.19%-0.75%
Next \$500,000	0.10% - 0.25%	0.20%-0.56%	0.10%-0.76%	0.19%-0.66%
Next \$1,000,000	0.10% - 0.25%	0.20%-0.46%	0.10%-0.73%	0.19%-0.59%
Next \$3,000,000	0.10% - 0.25%	0.20%-0.39%	0.10%-0.70%	0.19%-0.51%
Over \$5,000,000	0.10% - 0.25%	0.20%-0.38%	0.10%-0.69%	0.19%-0.50%

\* The fee charged depends on the manager(s) selected. Fees are calculated on a per account basis. Mutual funds, ETFs and other Funds have internal operating expenses that they charge that are separate than the fees shown in this table. Please see the prospectus or related disclosure document for information regarding these fees. Envestnet and its affiliates do not retain 12b-1 fees from mutual funds in which Clients invest. Any 12b-1 fees inadvertently received shall be returned to the fund company.

Amount	Multi-Style Accounts*	
	Unified Managed Accounts (UMA)	PMC MMA
First \$250,000	0.25%-0.88%	0.35%-1.56%
Next \$250,000	0.25%-0.63%	0.35%-1.31%
Next \$500,000	0.25%-0.56%	0.35%-1.19%
Next \$1,000,000	0.25%-0.49%	0.35%-1.05%
Next \$3,000,000	0.25%-0.44%	0.35%-0.91%
Over \$5,000,000	0.25%-0.41%	0.35%-0.91%

\* Add an additional 0.35% - 0.60% for each Third-Party Model used in the UMA portfolio. However, certain Third-Party Models may have lower or higher fees. Envestnet and its affiliates do not retain 12b-1 fees from mutual funds in which Clients invest. Any 12b-1 fees inadvertently received shall be returned to the fund company.

For smaller accounts, a minimum account fee may apply to the Program Fee or fees charged by the custodian. Minimum accounts fees are expressed in annual amounts but are determined and assessed based on the account asset value at the beginning of each quarter. For example, if an account has a \$100 minimum annual account Program Fee, it will be assessed a minimum of \$25 every quarter. Therefore, if a Client has large asset inflows or outflows during the year that cross the minimum asset value threshold, it is possible for an account to be assessed a minimum fee for a particular quarter even if at the end of the year a look back over the account's average balance for the entire year would have placed it above the minimum asset value threshold.

### Information Regarding Wrap Fee Programs

As mentioned in Item 4 of this Brochure, the AssetMark Platform and the Envestnet Platform we recommend are considered wrap fee programs, in which the fee paid to the program sponsor includes the program sponsor's investment management fee, our advisory fees, the advisory fees of independent managers selected within the programs, the execution of the client's portfolio transactions without commission charge, and/or custodial services for the client's assets.

In evaluating wrap programs, a client should recognize that transactions are usually effected "net," i.e., without commission. A portion of the wrap fee is generally



considered as being in lieu of commission. Trades are generally expected to be executed only with the broker-dealer with which the client has entered into the wrap fee arrangement, so that the investment managers in the program may not be free to seek best price and execution by placing transactions with other broker dealers. No assurance can be given that the broker-dealers will be able to obtain best execution with respect to transactions effected for such programs.

Accordingly, the client may wish to satisfy him/herself that the broker-dealer/adviser offering the wrap fee program arrangement can provide adequate price and execution of most or all transactions. The client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the "wrap fee" may or may not exceed the aggregate cost of such services if they were to be provided separately.

### Fees in General

Generally, our fees are not negotiable, and we do not offer client discounts.

At our discretion, we group certain related client accounts for the purposes of determining the annualized fee and/or minimum account size.

We do not charge fees in excess of \$1200 more than six months in advance of services rendered.

Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement with us and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing us with a 30-day written notice at our principal place of business prior to delivery of the plan or completion of other services. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Third-party managers and program sponsor(s) recommended by us to clients have their own policies for account terminations and refunds. Clients should carefully review all such policies since our firm has no control over any contractual provisions imposed by third parties.

Mutual Fund and ETF Fees and Expenses: All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund or and ETF directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services

being provided.

### Management, Brokerage and Custodian Fees

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, and custodian fees incurred as part of their account management, unless they have selected the “wrap fee” options of the programs described above. Should they decide to hire a third-party manager to implement our recommendations, they will also be responsible for all advisory fees charged by that manager. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

### Additional Compensation Received by Us

Some of our principals and/or employees are registered securities representatives and investment adviser representatives with J.W. Cole Financial, Inc. (“JWC”), a registered broker dealer, member FINRA/SIPC and as insurance brokers with JR Insurance Brokerage (“JRIB”) and various other insurance companies. JRIB is related to our firm by virtue of common ownership and control. In these capacities, when appropriate for a particular client, these individuals recommend securities, advisory services, insurance, or other products, and receive normal securities and/or insurance transaction commissions if products are purchased through JWC, JRIB or other insurance companies with which these individuals are appointed. Thus, a potential conflict of interest exists between the interests of these individuals and those of the advisory clients, creating an incentive for them to recommend investment and/or insurance products based on the compensation received, rather than on a client’s needs. However, clients are under no obligation to act upon any recommendations of these individuals or to effect any transactions through them if they decide to follow the recommendations. These individuals do not limit their recommendations to products or services offered by JWC, JRIB or insurance companies with which they are appointed and ensure that all recommendations are appropriate for a client’s specific needs. Clients have the option to purchase investment and insurance products recommended through other brokers and insurance companies not affiliated with our firm. Please refer to Item 10 of this Brochure for a more detailed explanation of how our firm handles and mitigates these potential conflicts of interest.

We reduce our firm’s advisory fees by the amount of commissions, markups, and 12b-1 distribution fees received by these individuals in their separate capacities as registered representatives and/or insurance agents.

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

We do not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7. Types of Clients**

Our firm generally provides advisory services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates and corporate and business entities.

We do not impose any minimum annual fees or net worth minimums for Financial

## Planning Services.

The minimum investment required in the AssetMark Platform depends upon the investment solution chosen for a client's account and is generally \$50,000 for mutual fund and variable annuity accounts and \$100,000 for ETF accounts, \$250,000 for distribution strategies, and from \$50,000 to \$500,000 for privately managed accounts, depending on the investment strategy selected for the account, as described in more detail in the Part 2A Appendix I wrap fee brochure. Accounts below the stated minimums may be accepted on an individual basis at the discretion of our firm and the platform sponsor.

Participation in the Envestnet Platform's programs may carry a minimum account size for any particular portfolio and strategy selected. Generally mutual fund or ETF asset allocation portfolios will require \$25,000 - \$50,000 account size minimums. Separately managed accounts for equity strategies will require \$100,000 account size minimums and \$250,000 account size minimums for fixed income strategies. Multi-sleeve portfolios will generally require \$150,000 account size minimums. Minimum account sizes may be lowered at the discretion of the portfolio manager and clients need to be aware that investments below the recommended minimums can impact your account, and it is recommended that you work with your Richardson Financial Services investment adviser representative before funding your account.

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

Our firm employs the following types of analysis to formulate client recommendations:

Mutual fund and/or ETF analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

Third-Party Manager Analysis: We utilize third-party managers provided on the AssetMark and Envestnet platforms to construct client's portfolio's that reflect their individual risk profiles. At least quarterly we assess the continued suitability of the investment managers as it relates to our client's risk profile. We do not review the individual investments selected by each manager.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also

a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis: The third-party managers' securities analysis method relies on the assumption that the companies whose securities they purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While the third-party managers are alert to indications that data may be incorrect, there is always a risk that their analysis may be compromised by inaccurate or misleading information.

These third-party managers typically recommend long-term strategies for client accounts. Such managers mostly purchase or recommend the purchase of securities with the idea of holding them in the client's account for a year or longer. The third-party managers may do this because they believe the securities to be currently undervalued. Such managers may do this because they want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, the third-party managers may not take advantage of short-term gains that could be profitable to a client. Moreover, if such managers' predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Infrequently, the third-party managers may also utilize or advise on the following additional strategies, where appropriate:

Short-term purchases: At times, third-party managers may also purchase or recommend the purchase of securities with the idea of selling them within a relatively short time (typically a year or less). Such managers do this in an attempt to take advantage of conditions that they believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, the third-party managers are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and sometimes will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Additional risks:

**Audit Risk:** There is an audit risk in companies located in Non-Cooperating Jurisdictions which give the PCAOB the inability to inspect or investigate audit reports.

**Geopolitical Risk:** Geopolitical and other events (e.g., war or terrorism) may disrupt

securities markets and adversely affect global economies and markets, thereby decreasing the value of an account's investments. Sudden or significant changes in the supply or prices of commodities or other economic inputs such as oil may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries, which could significantly reduce the value of an account's investments. War, terrorism, and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally.

***Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.***

#### **Item 9. Disciplinary Information**

Our firm has no reportable disciplinary events to disclose.

#### **Item 10. Other Financial Industry Activities and Affiliations**

As is disclosed in Item 5 of this Brochure, certain of our principals and/or employees are registered representatives with JWC and insurance agents with JRIB and various other insurance companies. Please refer to Item 5 for a detailed explanation of these relationships and important conflict of interest disclosures.

JRIB is an insurance company affiliated with RFS by virtue of common ownership and control. Richardson & Company, P.C. ("RCO") is an accounting firm affiliated with RFS by virtue of common ownership and control. When appropriate, our clients are referred to these separate affiliated entities and vice versa. However, no referral fees of any kind will be paid for these referrals by either party, and clients are not obligated to do business with JRIB or RCO.

Mr. Richardson holds a position of Chairman of the Board with Charles River Bank. When appropriate, our clients are referred to this separate unaffiliated entity and vice versa. However, no referral fees of any kind will be paid for these referrals by either party, and clients are not obligated to do business with Charles River Bank.

Some of these non-advisory activities present a potential conflict of interest, to the extent that RFS principals and owners receive additional compensation as a result of recommending additional brokerage, accounting, banking and/or insurance services to clients. Potential conflicts of interest also arise to the extent that these non-advisory activities require a significant time commitment from our principals and/or employees, thus limiting the amount of time they can dedicate to management of advisory client accounts.

Since we endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser and take the following steps to address these conflicts:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn compensation from advisory clients in addition to our advisory fees;
2. We disclose to clients that they are not obligated to purchase recommended investment products from our employees;
3. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
4. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
5. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
6. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
7. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Code of Ethics Disclosure

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to Steven Richardson, President and Chief Compliance Officer, at the firm's principal office address.

As is disclosed in Item 5 of this Brochure, our principal and certain of our employees are registered representatives with JWC and insurance agents with JRIB and various other insurance companies. Please refer to Item 5 for a detailed explanation of these relationships and important conflict of interest disclosures.

To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client;
2. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts;
3. We do not aggregate (batch) employee trades with client trades;
4. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis;
5. All clients are fully informed that certain of our principals and/or employees receive separate compensation when effecting transactions during the implementation process;
6. We emphasize the unrestricted right of the client to decline to implement any advice rendered;
7. For financial planning clients, we emphasize the unrestricted right of the client to select and choose any broker or dealer and/or insurance company (s)he wishes;
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices; and
9. Any individual not in observance of the above may be subject to disciplinary action or termination.

#### **Item 12. Brokerage Practices**

We do not have any soft-dollar arrangements and do not receive any soft-dollar benefits. We require that clients direct us to execute transactions through J.W. Cole Financial, Inc. ("JWC") as the broker-dealer. We routinely recommend that clients utilize either Pershing LLC (Pershing") or Charles Schwab & Co., Inc. ("Schwab") as account custodian. We are not affiliated with JWC, Pershing or Schwab.

#### **Financial Planning Services**

As previously disclosed, if financial planning clients request that we implement our



investment recommendations for them, and those recommendations require that a broker-dealer is used, we require that these clients use JWC as the broker-dealer. This requirement creates a potential conflict of interest because certain of our principals and/or employees are licensed as registered representatives with the same broker-dealer. We only require that client's utilize JWC because this firm's prices, commissions, products, and services are competitive in the brokerage marketplace. However, financial planning clients are not under any obligation to effect trades through any broker-dealer and are free to select any broker-dealer of their choice. Clients should be aware that best execution and lower commissions may not necessarily be achieved if recommended transactions are placed through these individuals in their separate capacities as registered representatives or insurance agents/brokers.

#### AssetMark Platform and Envestnet Platform

We typically do not recommend broker-dealers to AssetMark Platform clients or Envestnet Platform clients. Instead, we typically recommend the services of other independent registered investment advisers, who may or may not recommend broker-dealers to clients, and/or have their own policy, practice and procedure on brokerage. Since we do not directly recommend the services of any particular broker dealer to these clients, we do not consider any factors, nor do we determine the reasonableness of any broker's commissions. Clients must evaluate the brokerage services of any particular broker, independently of our firm.

Also, as we do not directly recommend the services of any particular broker dealer and are not directly involved with the client's selection of any particular broker dealer; we do not consider the value of products, research or services in regards to selecting a broker or determining brokerage commissions. AssetMark Platform clients and Envestnet Platform clients must evaluate such factors, independently of our firm when selecting a broker dealer.

AssetMark Platform clients and Envestnet Platform clients should refer to the disclosure document(s) of recommended independent registered investment adviser(s) for information on the brokerage recommendations, practices and policies for those entities.

#### Trade Aggregation

As a matter of policy and practice, our firm does not generally block client trades and, therefore, implements client transactions separately for each account. Due to this practice, at times, certain client trades will be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades. If we determine that aggregation of trades in a certain situation will be beneficial to our clients, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed from each client account on any given day. Clients should carefully review the disclosure documents of selected third-party managers and/or program sponsor(s) for detailed information about their best execution, aggregation and allocation practices.

### **Item 13. Review of Accounts**



Steven Richardson, President; Brian H. Maxfield, Investment Adviser Representative; and Edward Pitts, Investment Adviser Representative, are responsible for conducting all client account reviews. There is currently no limit on the number of accounts that can be reviewed by an employee.

#### Financial Planning Services:

Reviews: We will conduct annual reviews of these client accounts after the delivery of our financial planning recommendations if contracted for at the inception of the advisory relationship.

Reports: These clients will receive a completed financial plan. Additional reports typically will not be provided unless otherwise contracted for at the inception of the advisory relationship.

#### AssetMark and Envestnet Platforms

Reviews: While the underlying investments within the AssetMark Platform and the Envestnet Platform accounts are continuously monitored by platform strategists and/or selected third-party advisers, the above-listed individuals review the selected third-party managers' performance and the asset allocation in client accounts at least quarterly. These individuals review client accounts in the context of the client's risk tolerance and any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Reports: Clients participating in the AssetMark Platform and Envestnet Platform will receive periodic custodial account statements no less frequently than quarterly and/or quarterly reports from third-party managers showing the investment performance of their account. Our firm, however, will not provide any additional reports to these clients unless specifically contracted for at the commencement of the advisory relationship.

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

Under certain circumstances, our principals and/or employees receive additional compensation as described in Item 5 of this Brochure. Please refer to Item 5 for a detailed explanation of these relationships and important conflict of interest disclosures.

Our firm does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

### **Item 15. Custody**

Since all client funds and securities are maintained with a qualified custodian, we don't take physical possession of client assets. However, we urge all of our management clients to carefully review and compare their quarterly reviews of account holdings and/or

performance results received from third-party managers and program sponsor(s) to those they receive from their custodian. Should you notice any discrepancies, please notify us and/or your custodian as soon as possible.

We are deemed to have custody of client accounts due to our authority to direct clients' custodians to make money transfers from client accounts to designated third parties based on standing letters of authorization ("SLOAs") for certain clients. These arrangements are disclosed at ADV Part 1, Item 9. This level of custody does not require the firm to receive surprise audits annually provided certain guidelines are followed. In accordance with the guidance provided in the SEC's February 21, 2017 No-Action Letter to the Investment Adviser Association, we follow the below guidelines with respect to such accounts:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes Richardson Financial Services, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- Richardson Financial Services has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- Richardson Financial Services maintains records showing that the third party is not a related party of our firm or located at the same address as our firm.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instructions and an annual notice reconfirming the instruction.

#### **Item 16. Investment Discretion**

We manage client accounts participating in the AssetMark Platform and Envestnet Platform on a discretionary or non-discretionary basis. For clients granting us investment discretion, we will determine whether and when to hire and fire third-party managers and reallocate client investments among various platform managers as appropriate based on each client's investment objectives, risk tolerance and financial circumstances. Any grant of discretionary authority must be done in writing. Clients may impose reasonable limitations or restrictions on our discretionary authority.

Should the client wish to impose reasonable limitations on us or selected third-party manager(s)' discretionary authority, such limitations should be submitted in writing. Clients should refer to third-party manager(s)' disclosure documents to understand how these limitations can be changed or amended.

**Item 17. Voting Client Securities**

As a matter of firm policy, our firm does not vote proxies on behalf of clients. Clients will receive their proxies and other solicitations directly from their custodian or transfer agent and retain sole responsibility for voting. However, at times, we provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

**Item 18. Financial Information**

Under no circumstances will our firm earn fees in excess of \$1200 more than six months in advance of services rendered.