

Atlas Financial Advisors, Inc.

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Atlas Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (530) 589-2515 or by email at: cole@atlasfa.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 Atlas Financial Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Atlas Financial Advisors, Inc.'s CRD number is: 160276

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Atlas Financial Advisors, Inc. on 03/30/2023 are described below. Material changes relate to Atlas Financial Advisors, Inc.'s policies, practices or conflicts of interests.

Charles Schwab & Co., Inc. Advisor Services has acquired TD Ameritrade. Due to this acquisition clients of the firm have transitioned from TD Ameritrade to Charles Schwab & Co., Inc. Advisor Services. (Items 12 and 15)

Atlas Financial Advisors, Inc. is compensated for educational seminars. (Items 4 & 5)

Item 3: Table of Contents

Item 2: Material Changes	1
Item 3: Table of Contents	2
Item 4: Advisory Business	5
A. Description of the Advisory Firm	5
B. Types of Advisory Services	5
Investment Supervisory Services	5
Selection of Other Advisors	5
Financial Planning	6
Services Limited to Specific Types of Investments	6
C. Client Tailored Services and Client Imposed Restrictions	6
D. Wrap Fee Programs	6
E. Amounts Under Management	7
Item 5: Fees and Compensation	7
A. Fee Schedule	7
Investment Supervisory Services Fees	7
Financial Planning Fees	8
Hourly Fees	8
B. Payment of Fees	8
Payment of Investment Supervisory Fees	8
Payment of Financial Planning Fees	8
C. Clients Are Responsible For Third Party Fees	8
D. Prepayment of Fees	8
E. Outside Compensation For the Sale of Securities to Clients	9
Item 6: Performance-Based Fees and Side-By-Side Management	9
Item 7: Types of Clients	9
Minimum Account Size	9

Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss.....	9
A. Methods of Analysis and Investment Strategies.....	9
Methods of Analysis.....	9
Investment Strategies.....	10
B. Material Risks Involved	10
Methods of Analysis.....	10
Investment Strategies	10
C. Risks of Specific Securities Utilized	10
Item 9: Disciplinary Information	11
A. Criminal or Civil Actions.....	11
B. Administrative Proceedings	11
C. Self-regulatory Organization (SRO) Proceedings	11
Item 10: Other Financial Industry Activities and Affiliations	12
A. Registration as a Broker/Dealer or Broker/Dealer Representative.....	12
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.....	12
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests	12
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
A. Code of Ethics.....	13
B. Recommendations Involving Material Financial Interests	13
C. Investing Personal Money in the Same Securities as Clients.....	13
D. Trading Securities At/ Around the Same Time as Clients' Securities.....	13
Item 12: Brokerage Practices.....	14
A. Factors Used to Select Custodians and/or Broker/Dealers.....	14
1. Research and Other Soft-Dollar Benefits.....	14
2. Brokerage for Client Referrals	14
3. Clients Directing Which Broker/Dealer/Custodian to Use	14
B. Aggregating (Block) Trading for Multiple Client Accounts	14
Item 13: Reviews of Accounts	15
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews	15
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts.....	15
C. Content and Frequency of Regular Reports Provided to Clients.....	15
Item 14: Client Referrals and Other Compensation.....	15
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes).....	15
B. Compensation to Non – Advisory Personnel for Client Referrals	16
Item 15: Custody.....	16
Item 16: Investment Discretion	16
Item 17: Voting Client Securities (Proxy Voting).....	16
Item 18: Financial Information.....	16
A. Balance Sheet.....	16

B.	Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients.....	17
C.	Bankruptcy Petitions in Previous Ten Years	17

Item 4: Advisory Business

A. Description of the Advisory Firm

Atlas Financial Advisors, Inc. is a corporation organized in the state of California.

This firm was formed in December 2011, and the principal owner is Arthur Cole Garcia.

B. Types of Advisory Services

Atlas Financial Advisors, Inc. (hereinafter “AFA”) offers the following services to advisory clients:

Investment Supervisory Services

AFA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

AFA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. AFA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

Pension Consulting Services

AFA offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes

- recommending other service providers, such as custodians, administrators and broker-dealers
- creating a written pension consulting plan

Selection of Other Advisors

AFA does not direct clients to third party money managers.

Financial Planning

AFA's financial planning services begin with a thorough review of a client's finances, personal goals, risk tolerance, and personal preferences. The data collected is reviewed by our financial team. Client receives a comprehensive financial analysis and retirement plan. Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement. In offering financial planning, a conflict exists between the interests of the investment advisor and the interests of the client. The client is under no obligation to act upon the investment advisor's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment advisor.

Subscription Services

AFA provides subscription services for a fee. These services include a newsletter that will offer recommendations on purchasing and selling specific securities, sectors, asset classes, market commentary and analysis, or other specific groupings of securities at a stated time.

Educational Seminars/Workshops

AFA provides periodic educational seminars and workshops to the general public.

Services Limited to Specific Types of Investments

AFA generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, ETFs, REITs, and insurance products including annuities. AFA may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

AFA offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent AFA from properly servicing the client account, or if the restrictions would require AFA to deviate from its standard suite of services, AFA reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. AFA DOES NOT participate in any wrap fee programs.

E. Amounts Under Management

AFA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 99,239,502.00	\$ 6,780,737.00	December 2023

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit I of the Investment Advisory Agreement. Fees are paid quarterly in advance, and clients may terminate their Agreements with written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Fees that are collected in advance will be refunded based on the prorated amount of work completed up to the day of termination within the quarter terminated. The fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the quarter up to and including the day of termination. (*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter). Clients may terminate their Agreements without penalty, for full refund, within 5 business days of signing the advisory Agreement. Advisory fees are withdrawn directly from the client's accounts with client written authorization. Lower fees for comparable services may be available from other sources.

Total Assets Under Management	Annual Fee
All Assets	Maximum Annual Supervisory Service Fee 1.85%

Pension Consulting Services Fees

The rate for pension consulting services is \$300 per hour on an as needed basis.

Financial Planning/Hourly Fees

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is \$300. The fees are negotiable, and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their agreements without penalty within five business days of signing the Financial Planning Agreement.

Subscription Fees

AFA offers a subscription services, that costs \$120 per month, for a monthly newsletter. Newsletters may be provided via postal mail, electronic mail, or via download and may be cancelled by giving 30 days written notice.

Educational Seminars/Workshops

Educational seminars and workshops are offered for a fee of \$50 per household, paid by cash, check, or through Paypal by debit/credit card.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance. Advisory fees may also be invoiced and billed directly to the client quarterly in advance. If clients select this option, they are also billed a \$20 service processing fee. Clients may select the method in which they are billed.

Payment of Pension Consulting Services Fees

Fees are invoiced and payable via cash, check, or wire. Fees are paid in arrears.

Payment of Financial Planning Fees

Hourly Financial Planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

Payment of Subscription Fees

Subscription fees are paid via credit card thru Teachable:pay. Fees are paid monthly or annually.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by AFA. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

AFA collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be deposited back into client's account within fourteen days, if possible. If the account has been closed fees will not be able to be deposited and a check will be mailed via first class mail to the address of record. The fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the quarter up to and including the day of termination. (*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter).

E. Outside Compensation For the Sale of Securities to Clients

Neither AFA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

AFA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

AFA generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ Pension and Profit Sharing Plans

Minimum Account Size

While the firm generally does not impose an account minimum there is one adviser within the firm that does and that is Steven Van Metre. The minimum investment is \$150,000 per household (multiple accounts may be opened or transferred to meet the minimum investment requirement).

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

AFA's methods of analysis include fundamental analysis, technical analysis, and cyclical analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Investment Strategies

AFA uses long and short term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is

that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using this strategy.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

AFA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk (the uncertainty that inflation will undermine the performance of the investment), interest rate risk (the risk that the value

of an investment will change due to the absolute interest rate level), default risk (the risk associated with a company or individual failing to repay their debt obligations), etc.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability, and inflation.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither AFA nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither AFA nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Arthur Cole Garcia, Steven P. Van Metre, Brian J. Seva, Richard Scott Marcoux, and Timothy Gerard Hermes are licensed insurance agents. Mr. Van Metre is the owner of Bakersfield Retirement Group. Mr. Seva is a real estate broker with Seva Realty and a co-owner of First Union Capital Corp.

From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services may pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment advisor. AFA always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to purchase any commissionable products through any representative of AFA in their capacity as an insurance agent.

All material conflicts of interest under Section 260.238 (k) of the California Corporations Code are disclosed regarding the investment advisor, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

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

A. Code of Ethics

AFA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. AFA's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

AFA does not recommend that clients buy or sell any security in which a related person to AFA or AFA has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of AFA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of AFA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. AFA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of AFA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of AFA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. AFA will always transact client's transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians

Charles Schwab & Co., Inc. was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. AFA will never charge a premium or commission on transactions beyond the actual cost imposed by Custodian.

1. Research and Other Soft-Dollar Benefits

AFA receives research, products, or other services from its custodians or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that AFA must meet in order to receive free research from the custodian. There is no incentive for AFA to direct clients to this particular custodian over other custodians who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending a custodian to clients is best execution. AFA always acts in the best interest of the client.

2. Brokerage for Client Referrals

AFA receives no referrals from a custodian or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

AFA allows clients to direct brokerage. AFA may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients' money because without the ability to direct brokerage AFA may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisors allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

AFA maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing AFA the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly only by Arthur Cole Garcia, President. Arthur Cole Garcia is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at AFA are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Arthur Cole Garcia, President. There is only one level of review and that is the total review conducted to create the financial plan.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

Charles Schwab & Co., Inc. Advisor Services provides AFA with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For AFA client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to AFA other products and services that benefit AFA but may not benefit its clients' accounts. These benefits may include national, regional or AFA specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of AFA by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist AFA in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research,

pricing information and other market data, facilitate payment of AFA's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of AFA's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to AFA other services intended to help AFA manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to AFA by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to AFA. AFA is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

B. Compensation to Non – Advisory Personnel for Client Referrals

AFA produces a YouTube Channel related to the investment advisory industry. AFA receives economic benefits from third-party issuers of securities who sponsor the YouTube Channel. Such benefits are contingent upon the third-party issuers being identified as sponsors of the YouTube Channel. This represents a conflict of interest in that AFA has an incentive to use and promote the products of these third parties. Currently, AFA does not recommend the types of products issued by the YouTube Channel sponsors nor does AFA use the products of these third parties.

AFA may retain third parties to act as promoters for AFA's investment management services. Compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. AFA will ensure each promoter is properly exempt or registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with the Advisers Act, where applicable.

Item 15: Custody

AFA, with client written authority, has limited custody of client's assets through direct fee deduction of AFA's Fees only. If the client chooses to be billed directly by Charles Schwab & Co., Inc. , AFA would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

For those client accounts where AFA provides ongoing supervision, the client has given

AFA written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides AFA discretionary authority via a limited power of attorney in the Investment Advisory Agreement and in the contract between the client and the custodian.

Item 17: Voting Client Securities (Proxy Voting)

AFA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

AFA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither AFA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

AFA has not been the subject of a bankruptcy petition in the last ten years.