

# **bLong Financial, LLC**

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This Brochure provides information about the qualifications and business practices of bLong Financial (“bLong” or “the company”). If you have any questions about the contents of this Brochure, please contact us at 901-681-9037 or by email at [dennis@blongfinancial.com](mailto:dennis@blongfinancial.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.

bLong is registered as an Investment Advisor with the state of Tennessee. Registration of an Investment Advisor does not imply any level of skill or training. Potential clients should use the oral and written communications of an Advisor to provide them with information to help determine whether or not to hire or retain an Advisor.

Additional information about bLong also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with bLong who are registered, or are required to be registered, as investment adviser representatives of bLong.

## **Item 2 – Material Changes**

bLong will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year.

Currently, our Brochure may be requested by contacting Dennis Long at 901-681-9037 or [dennis@blongfinancial.com](mailto:dennis@blongfinancial.com).

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

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#### **Item 4– Advisory Business**

bLong is a limited liability company founded in 2012 by Dennis G. Long to engage in the business of providing investment advisory services tailored to the individual needs of its clients.

bLong's services include the development of investment strategy and management of client's assets using appropriate security investments, primarily equity and fixed income securities. bLong will be primarily managing client assets on a discretionary basis in separately managed accounts. bLong strives to be known for personalizing investment strategy to client needs. The company places great emphasis on working with each client to determine the client's goals, objectives, resources, risk tolerance, and tax position. In consultation with the client, bLong seeks to develop a set of investment objectives and to implement the investment decisions through an appropriate strategy.

The amount of assets managed as of March 22, 2024 \$177,500,089

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

Fees for assets managed in the separately managed discretionary accounts generally adhere to the following schedule:

Annual Fee (range of fees depending on asset strategy):

- Less than \$1 million = 0.50%-1.50%
- Greater than \$1 million = 0.50%-1.00%

Actual fees may be negotiated and may vary from the schedule set forth above due to the client's specific circumstances, level of services provided, or other investment considerations. The fee set forth above is an annual fee, payable quarterly in advance or quarterly arrears as outlined in the investment services agreement). Quarterly payments will be due on the first business day of each calendar quarter based on the market value of the client's account as of the close of business on the last business day of the immediately preceding quarter. Clients authorize payment of bLong's fees directly from their custodial accounts without the necessity of the client's prior approval for each quarterly fee. Notice of the amount of the fee will be provided to the client in the monthly account statements furnished by the client's custodian. bLong's agreement with the client may be terminated by either party upon written notification in accordance with the advisory agreement. Upon termination, bLong's fee will be pro-rated to the date of termination and any prepaid unearned fees will be promptly refunded. In the event that a mutual fund, closed end fund,

exchange traded fund, or similar investment security is selected for a client's account, the client will pay an advisory fee to the mutual fund's investment advisor that is separate from and in addition to bLong advisory's fee. bLong's fees do not include brokerage commissions, transaction costs, and other costs and expenses which may be incurred by clients in connection with the management of their accounts (see section 12 Brokerage Practices).

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

bLong does not offer performance-based fees (fees based on a share of capital gain or capital appreciation in client assets). However, bLong is compensated via a percentage fee on the amount of assets managed. This fee will go up as the amount of assets managed goes up and therefore, this arrangement may be viewed as performance-based compensation. bLong does not collect a fee based on the appreciation of assets, and the supervisory fees laid out in Item 5 above should not be viewed as such.

When bLong and its investment personnel manage more than one client account that may involve different fee structures, a potential exists for one client account to be favored over another client account. bLong and its investment personnel have a greater incentive to favor client accounts that pay bLong higher fees.

## **Item 7 – Types of Clients**

bLong will provide portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, trust programs, estates and other U.S. and international institutions. For separately managed accounts the minimum account size is generally \$500, 000. The minimum account size may be waived or modified at bLong's discretion.

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

The investment strategy for bLong Financial is primarily achieved through fundamental analysis. bLong uses a global investment approach that considers securities from different asset classes and geographical locations. bLong attempts to purchase securities at a significant discount to

their inherent value, focusing on the quality of the business, the quality of management, the valuation of the business, and how well the business is positioned for future trends.

In attempting to estimate the inherent value of an individual security, bLong uses readily available public information from many sources. bLong's general understanding of an entity's future prospects/cash flows is key to security selection. In the case of equity securities, bLong believes that the inherent value of the cash flows is what will most likely determine the future stock price.

bLong attempts to identify businesses that hold a sustainable competitive advantage. A competitive advantage allows for more predictable earnings streams and more accurate predictions of future cash flows. bLong also attempts to invest in companies with strong management teams. It is important to have good managers that are not only competent leaders, but also think like investors in trying to maximize shareholder value.

bLong places a heavy emphasis on identifying perceived "macro" trends. In attempting to identify the future economic and political climate bLong tries to identify companies that will benefit from anticipated changes that other investors may be missing.

By successfully purchasing securities at a significant discount to bLong's estimate of value, the company seeks to provide a greater margin of safety/opportunity (thus reducing the risk of the overall portfolio). However price is not bLong's only selection criteria.

bLong will primarily invest in publicly traded equity and fixed income securities for the separately managed accounts. bLong may also invest in other security types if deemed appropriate. In some cases, client portfolios may include mutual fund and ETF securities or similar securities. bLong tends to invest for the long term. bLong's mutual fund/ETF/Exchange Traded Note ("ETN") strategies, depending on the parameters and guidelines set by bLong, includes, but not limited to, investing in domestic or international equity, bond, high yield, credit, municipal, money market, long/short, commodity, index, leverage, and real estate mutual funds or ETF/ETNs depending on the attractiveness of these funds and sectors. bLong may also utilize inverse ETFs/ETNs that increase or decrease inversely to market sector or index performance. bLong, at its sole discretion, will, as it deems to be appropriate, combine various mutual funds and/or ETF/ETNs in order to try to earn superior performance.

## Other Potential Investment Strategies

bLong may also use other investment strategies such as long-term trading, short term trading, short sales, and options writing (including, but not limited to, covered options, uncovered options, or spreading strategies).

bLong's methods, strategies and investments involve risk of loss therefore clients/investors must be prepared to bear the loss of their entire investment.

bLong takes the same customized approach to a client's fixed income investment strategies. Generally, its objectives are preservation of capital and generation of income. Fixed income investments may include corporate, including high yield corporate bonds, municipal bonds, U. S. Treasury and agency bonds, sovereign debt, and bond mutual funds.

### ***Risks – Equity Investments (Stocks) and Mutual Fund/ETF/ETNs***

Investing in securities involves risk of loss that clients should be prepared to bear.

*General Market Risk* - There are risks inherent in investing in the public securities markets. Stock markets can be volatile. Prices can fluctuate and may fall rapidly in response to developments that affect a company or industry. Economic and political conditions can affect the equity markets. All investments have risks, and no one investment is suitable for all investors. bLong's investment strategy is intended for long-term investors. As a result, each client should have a long-term perspective and be able to tolerate potentially wide fluctuations in the value of the securities in the client's portfolio.

*Specific Company Risk* - Prices fluctuate over time. A company's stock price may decline in response to its financial prospects or changing expectations for its performance or because bLong's evaluation of its prospects was wrong. Stockholders face a number of risks inherent in owning a business, such as operational, financial and regulatory risks. Companies bLong invests in must address these risks successfully; if they do not, their stock prices can decline.

*Concentration Risk* - Concentrated portfolios that invest in a relatively small number of stocks may have more risk because changes in the value of a single security will have a greater impact on the portfolio's return and its value could fluctuate more than if a greater number of securities were held.

ETNs, ETFs, and Mutual Fund Risk, which is the risk of capital loss (sometimes up to a 100% loss). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

### ***Risk Factors – Fixed Income Securities (Bonds)***

Investing in securities involves risk of loss that clients should be prepared to bear.

*General Market Risk* - There are risks inherent in investing in the public securities markets. Bond markets can be volatile. Prices can fluctuate and may fall rapidly in response to developments that affect a company or industry. Economic and political conditions can affect the bond markets.

*Interest Rate Risk* - Fixed income securities may decline in value because of changes in interest rates. Bonds with longer durations tend to be more sensitive to changes in interest rates, making them more volatile than bonds with shorter durations.

*Credit Risk* - An account can lose money if the bond issuer or guarantor is unable or unwilling, or is perceived as unable or unwilling, to honor its obligations. A credit rating downgrade may decrease the value of a bond.



*High Yield Bond Risk* - Securities commonly known as “junk bonds” are rated below investment grade by credit ratings agencies and are generally considered speculative. An economic downturn or period of rising interest rates could have an adverse effect on the market for high yield bonds and reduce liquidity. If the issuer defaults, the investor could lose its entire investment.

*Liquidity Risk* - When the market for certain fixed income securities is illiquid, it is difficult to purchase or sell investments at a favorable price or at the preferred time. Markets can become illiquid for many reasons, including adverse changes in the issuer’s business or sector or because general economic conditions are adverse.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of bLong or the integrity of bLong’s management.

On 12/15/2020, the Securities Division of the Tennessee Department of Commerce and Insurance (the “Division”) indicated that Greenway Capital Management, LLC failed to maintain a minimum net capital of fifteen thousand dollars (\$15,000) for several periods between 2018-2020 and had inadequate cybersecurity procedures. After the Division raised the issue, Greenway Capital Management consulted with an accountant and submitted revised financial statements reclassifying an intangible asset per the accountant’s guidance. Based on the revised financial statements, Greenway Capital Management was no longer in net capital violation during the allege time periods.

Despite the evidence provided to the Division and numerous discussions, the Division disregarded the intangible asset in the net capital calculation. As such, Greenway Capital Management and R. Trent Curry entered into a consent order on 05/25/2021 and paid a fine of \$5,000 in order to save additional time and costs despite its assertion that it is not in violation of the statute regarding net capital and the cybersecurity procedures.

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

Mr. Dennis G. Long is a certified public accountant and the principal of Dennis G. Long, CPA. Through the CPA firm, Mr. Long offers various financially related services to many of bLong's advisory clients. These services are separate from bLong's advisory services. The services provided by the CPA firm include tax planning and preparation, financial planning, estate planning and certain services commonly known as "family office services." The CPA firm may also provide other services to its clients from time to time. Fees for the services provided by the CPA firm are determined and charged separately from the fees charged by bLong for its investment management services.

bLong may utilize and select other advisers or third-party managers on a non-exclusive basis for management of certain assets or strategies that it deems, in its sole discretion, appropriate for its clients.

## **Item 11 – Code of Ethics**

bLong has adopted a Code of Ethics describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

bLong anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which bLong has management authority to recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which bLong, its affiliates and/or clients, directly or indirectly, have a position of interest. Dennis Long and R. Trent Curry are required to follow bLong's Code of Ethics. Subject to satisfying the Code of Ethics and applicable laws, Mr. Long and R. Trent Curry or any of its advisor affiliates may trade for their own accounts in securities which are recommended to and/or purchased for bLong's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of bLong and persons associated with bLong will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions.

bLong's clients or prospective clients may request a copy of the firm's Code of Ethics by

contacting Dennis Long or R. Trent Curry at the number set forth on the cover page of this Brochure.

It is bLong's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. bLong will also not execute cross trades between client accounts without prior written approval. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account buys from or sells any security to any advisory client. A cross trade is a transaction in which the adviser causes one client to buy (or sell) a security from another client instead of purchasing (or selling) the security on the open market.

## **Item 12 – Brokerage Practices**

bLong recommends that its clients establish custodial and brokerage accounts pursuant to an arrangement with National Financial Services, LLC and Fidelity Brokerage Services, LLC (together, with all affiliates, "Fidelity") through which Fidelity provides bLong and its clients with access to the normal range of stocks and bonds, mutual funds, and ETF/ETNs at discounted brokerage costs as well as other services included in Fidelity's "platform." bLong may also select any other reputable custodian based on their quality and reputation, relatively low transaction fees and access to mutual funds and ETFs/ETNs. There is no guarantee that the custodian will be the cheapest nor with the most access to all relevant securities. bLong will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

By agreement with bLong's current custodian, Fidelity, it also provides bLong with electronic access to the client's account, access to the trading desk, administrative support, record keeping and related services that are intended to assist bLong in providing advisory services to its clients and, therefore, may also benefit bLong.

Fidelity charges brokerage commissions for effecting individual equity and debt securities transactions and transaction fees for effecting certain no-load mutual fund transactions. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker dealers. As part of the arrangement, Fidelity also makes available to bLong, at no additional charge to bLong, certain research services. These services presently include access to a Fidelity website that includes numerous investment research publications and databases. Without its arrangement with Fidelity, bLong might be compelled to purchase the same or similar services at its own expense.

As a result of receiving such services at no additional cost, bLong may have an incentive to continue to refer clients to Fidelity for broker custodian services. bLong considered this potential conflict of interest when it chose to enter into the arrangement with Fidelity and will reevaluate the arrangement periodically.

bLong will not rely significantly on the research services offered by Fidelity. From time to time, however, bLong may take advantage of research material, investment seminars, discounts on research subscriptions, and other similar services Fidelity offers, and such research services may be beneficial to bLong and its clients.

bLong believes that many of the products, research and services offered by Fidelity are beneficial to its clients. However, because they also assist bLong in the management of its clients' accounts, they are also beneficial to bLong. Therefore, bLong's recommendation of Fidelity can create conflicts or potential conflicts of interest because the services could influence bLong's judgment in selecting custodian brokers to recommend to its clients. bLong has addressed these conflict issues by establishing certain guidelines. Any custodian broker recommended by bLong must satisfy certain conditions: execution capabilities, clearance, settlement, reputation, financial strength and stability, access to a wide range of securities, well organized and efficient administrative and "back office" operations, responsiveness, and competitive rates. bLong's principal, Dennis Long, periodically reviews and evaluates Fidelity for its satisfaction of these conditions. Any custodian broker must be an institution that bLong considers qualified and would recommend regardless of any additional services it provides to assist bLong. The fees and commissions charged must be, in bLong's judgment, reasonable in light of the value of services provided.

In purchasing or selling an exchange traded product, bLong does not aggregate trades for multiple clients. Each client portfolio is customized to the client's individual investment plan and account transactions are separately ordered. The brokerage commissions charged by the custodian/broker may or may not vary based on volume.

### **Item 13 – Review of Accounts**

Many factors trigger account review by a portfolio manager, including the decision to add or eliminate a particular investment, to raise or lower cash reserves based on market considerations, to raise cash for distribution to clients at their request, to invest new cash contributions to a portfolio, and to alter asset mix as market conditions indicate.

Periodically, Dennis Long and/or R. Trent Curry will review client accounts and provide clients with an annual report that includes all holdings with investment returns, summaries, and additional detail if appropriate.

In addition, clients will have online access to their accounts at Fidelity (or alternate custodian) at any time. Monthly statements detailing holdings, transactions, commissions,

and the deduction of advisory fees will be provided by Fidelity. Clients may elect to receive their statements by mail or electronically.

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

bLong and/or its affiliates render compensation to non-advisory personnel for information about customers looking for information about investing via its relationship with Dave Ramsey’s SmartVestor Professional Program. Currently, the monthly payment is \$3,250 to be a part of the program.

bLong’s response to Item 12, above, includes additional disclosures concerning brokerage practices and economic benefits received from brokers.

#### **Item 15 – Custody**

Dennis G. Long, the founder of bLong Financial, LLC is also the sole proprietor of Dennis G. Long, CPA (the “CPA Firm”). During the course of his CPA practice, Mr. Long may act as trustee or executor for certain clients of the CPA Firm. He may also provide family office services to certain clients. When Mr. Long acts as trustee or executor or provides family office services to clients of the CPA Firm, Mr. Long may have custody of their funds or securities. Some of these clients may also be clients of bLong Financial. Clients of bLong should receive monthly statements directly from their qualified custodian. Clients should carefully review those statements.

#### **Item 16 – Investment Discretion**

bLong usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold and the timing of account transactions. That authority is set forth in the advisory agreement between bLong and the client. bLong generally identifies clients, or a percentage of that client’s assets, that fit the style of managing for the long-term with a willingness to potentially be invested fully in equities in investments globally. Discretion is to be exercised in a manner consistent with the investment for the particular client’s circumstances.

Clients may place certain restrictions and limitations on bLong’s investment authority. When selecting securities and determining amounts, bLong observes the investment

policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to bLong in writing.

#### **Item 17 – Voting Client Securities**

bLong does not have authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian. Clients who wish to contact bLong with questions about a particular proxy solicitation may do so by contacting Dennis Long at the telephone number or address set forth on the cover page of this Brochure.

bLong does not have the authority to provide legal advice to clients. bLong does not determine if the securities held by clients are the subject of a class action lawsuit or whether clients are eligible to participate in settlements. bLong does not have the authority to submit class action claim forms but will assist in the collection of transaction data upon request from a client.

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain information concerning any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. bLong is not aware of any such condition.

#### **Item 19 – Requirements for State Registered Advisors**

Additional information concerning Dennis G. Long and R. Trent Curry is set forth in each of their individual ADV Part 2Bs.