



## Firm Brochure – Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Beacon Financial Advisory LLC. If you have any questions about the contents of this brochure, please contact us at (216) 910-1850 or by email at: [info@beaconplanners.com](mailto:info@beaconplanners.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 Beacon Financial Advisory LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Beacon Financial Advisory LLC's CRD number is: 174334.*

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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 Beacon Financial Advisory LLC on 03/15/24 are described below. Material changes relate to Beacon Financial Advisory LLC's policies, practices or conflicts of interests.

### **12/15/2023**

Item 10, Section C –

- The firm no longer has any Investment Adviser Representatives operating under Pistone Wealth Management.
- The firm has added Tropp O'Toole James Private Wealth Management as a DBA for our Investment Adviser Representatives.
- The firm no longer has Investment Adviser Representatives acting as accountants from Costin & Kendall CPAs.

### **09/05/2023**

Item 12

- TD Ameritrade has been removed as a custodian for the firm.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Beacon Financial Advisory LLC (hereinafter “Beacon FA”) is a Limited Liability Company organized in the State of Ohio.

Beacon FA was formed in December 2014, and the principal owner is Gregory Giller Randall.

### B. Types of Advisory Services

#### Portfolio Management Services

Beacon FA offers periodic portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Beacon FA gathers pertinent client information and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

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

Beacon FA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Beacon FA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Beacon FA may also utilize third-party investment advisers/turn-key asset management programs for certain clients.

Beacon FA seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Beacon FA's economic, investment or other financial interests. To meet its fiduciary obligations, Beacon FA attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Beacon FA's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Beacon FA's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

#### Retirement Plan Advisory & Consulting Services

Beacon FA offers ongoing consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). The ongoing consulting services will be based on the collective and at times, individual demographics, goals, objectives, time horizon, and/or risk tolerance of the plan's participants.

### **Financial Planning**

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.

### **Selection of Other Advisers**

Beacon FA may also utilize third-party investment advisers/turn-key asset management programs for certain clients. Before selecting other advisers for clients, Beacon FA will always ensure those other advisers are properly licensed or registered as investment advisers.

### **Written Acknowledgement of Fiduciary Status**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## **C. Client Tailored Services and Client Imposed Restrictions**

Beacon FA will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by Beacon FA on behalf of the client. Beacon FA may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. 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 Beacon FA from properly servicing the client account, or if the restrictions would require Beacon FA to deviate from its standard suite of services, Beacon FA reserves the right to end the relationship.

## **D. Wrap Fee Programs**

Beacon FA sponsors a wrap fee program called the Beacon Focus program, which is an investment program where the investor pays one stated fee that includes management

fees, custodian fees, brokerage fees, mutual fund shareholder servicing fees, transaction fees, and other administrative fees. Beacon FA manages the investments in the wrap fee program but does not manage those wrap fee accounts any differently than non-wrap fee accounts. Fees paid under the wrap fee program will be given to Beacon FA as a management fee.

Fees paid under the wrap fee program are not based directly upon the actual transaction or execution costs for the transactions within an investor's account. Depending on the underlying investments in an investor's wrap fee program account and how much trading an investors expects to do within the wrap fee program account, the investor may pay more for a wrap fee program account than if the investor chooses another Beacon FA advisory program that is not part of a wrap fee program, or if the investor chooses to pay separately for all of the transaction costs (e.g., pay the advisory fee plus all commissions).

#### **Wrap Fee Program Disclosures**

- The benefits under a wrap fee program depend, in part, upon the size of the account, the costs associated with managing the account, and the frequency or type of securities transactions executed in the account.
- For example, a wrap fee program may not be suitable for all accounts, including but not limited to accounts holding primarily, and for any substantial period of time, cash or cash equivalent investments, fixed income securities or no-transaction-fee mutual funds, or any other type of security that can be traded without commissions or other transaction fees.
- In order to evaluate whether a wrap fee arrangement is appropriate for you, you should compare the agreed-upon Wrap Program Fee and any other costs associated with participating in our Wrap Fee Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and execution costs, and custodial services comparable to those provided under the Wrap Fee Program.

Beacon FA offers both wrap fee portfolio management and non-wrap portfolio management to its clients.

#### **E. Annual Tax Preparation**

Beacon Advisers may offer annual tax preparation as part of their services.

#### **F. Assets Under Management**

Beacon FA has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$ 519,666,044	\$ 74,753,034	12/2023

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Asset-Based Fees for Portfolio Management*

##### **Wrap Fee Portfolio Management**

<b>Total Assets Under Management</b>	<b>Maximum -Total Fee</b>
\$0 - \$1,000,000	1.80%
\$1,000,001 - \$2,000,000	1.45%
\$2,000,001 - And Up	Negotiable

##### **Non-Wrap Portfolio Management**

<b>Total Assets Under Management</b>	<b>Total Fee</b>
\$0 - \$1,000,000	1.61%
\$1,000,001 - \$2,000,000	1.31%
\$2,000,001 - And Up	Negotiable

Beacon FA bills based on the ending quarterly account balance preceding the billing period. Beacon FA may also utilize third-party investment advisers/turn-key asset management programs for certain clients, and these fees are charged to the client in addition to the fee schedule set forth above.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the client contract. Clients may terminate the agreement without penalty for a full refund of Beacon FA's fees within five business days of signing the client contract. Thereafter, clients may terminate the client contract generally with 30 days' written notice.

#### **Conflict of Interest.**

When managing a client's account on a wrap fee basis, we receive as compensation for our investment advisory services, the balance of the total wrap fee you pay after custodial, trading and other management costs (including execution and transaction fees) have been deducted. Accordingly, we have a conflict of interest because we have a financial incentive to maximize our compensation by seeking to reduce or minimize the total costs incurred in your account(s) subject to a wrap fee.

- Beacon FA pays Schwab transaction costs for each executed trade in wrap fee accounts. As a result, Beacon FA has a financial incentive to limit orders for wrap fee accounts because trades increase our transaction costs. Thus, an incentive exists to trade less frequently in a wrap fee program.
- Additionally, Schwab generally does not charge commissions [or transaction fees] for online trades of U.S. exchange-listed equities, U.S. exchange-listed ETFs, and



no-transaction-fee ("NTF") mutual funds. This means that, in most cases, when we buy these types of securities, we can do so without paying commissions to Schwab. We are available to discuss Schwab's execution related pricing with you so that you can compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately.

### ***Retirement Plan Advisory & Consulting Services Fees***

#### **Asset-Based Fees**

<b>Total Assets</b>	<b>Annual Fee</b>
\$0 - \$1,000,000	1.00%
\$1,000,001 - \$10,000,000	0.50%
\$10,000,001 - And Up	0.25%

Beacon FA uses the ending quarterly balance in the total plan's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

#### **Fixed Fees**

The rate for creating retirement & consulting plans is between \$1,250 and \$100,000.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the client contract. Clients may terminate the agreement without penalty for a full refund of Beacon FA's fees within five business days of signing the client contract. Thereafter, clients may terminate the client contract generally with 30 days' written notice.

## ***Financial Planning Fees***

### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$250 and \$20,000.00.

### **Hourly Fees**

The negotiated hourly fee for these services is based upon the engagement of the Beacon FA advisor and is between \$100 and \$300.

Clients may terminate the agreement without penalty for a full refund of Beacon FA's fees within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

## **B. Payment of Fees**

### **Payment of Asset-Based Portfolio Management Fees**

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance. Beacon FA bills based on the ending quarterly account balance preceding the billing period.

### **Payment of Asset-Based Retirement Plan Advisory & Consulting Fees**

Asset-based Retirement Plan Advisory & Consulting fees are withdrawn directly from the plans account with the plan's written authorization on a quarterly basis, or may be invoiced and billed directly to the plan on a quarterly basis. Plans may select the method in which they are billed. Fees are paid in arrears.

### **Payment of Fixed Retirement Plan Advisory & Consulting Services Fees**

Fixed Retirement Plan Advisory & Consulting fees are paid via check. These fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

### **Payment of Third-Party Advisers Fees**

Beacon FA may direct clients to third-party investment advisers. Beacon FA will receive its contracted investment advisory fee on top of the fee paid to the third party adviser. This relationship will be memorialized in each contract between Beacon FA and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

### **Payment of Financial Planning Fees**

Financial planning fees are paid via check. Fixed financial planning fees are paid 50-100% in advance, but never more than nine months in advance. The remainder of fees are paid in arrears after the plan is delivered. Hourly financial planning fees are paid in advance or in arrears.

### **C. Client Responsibility For Third Party Fees**

For Beacon FA clients participating in a wrap fee program, Beacon FA will charge clients one fee that includes the financial advisor and management fee and will pay all transaction fees using the fee collected from the client.

For Beacon FA clients not participating in wrap fee programs, the client will be responsible for all third-party fees (i.e. custodian fees, brokerage fees, mutual fund shareholder servicing fees, transaction fees, and other administrative fees.) Please note, some mutual funds may offer different share classes. Different share classes of the same fund represent the same underlying investments. The differences between share classes may reflect different sales charges, transactions fees, and ongoing fees which could affect client's overall investment returns. Beacon FA will recommend investments it believes are in the best interest of its clients.

### **D. Prepayment of Fees**

Beacon FA collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance will be returned within fourteen days to the client via check or return deposit back into the client's account.

In the event of the termination of a relationship after either party provides 30 days written notice, for all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

### **E. Outside Compensation For the Sale of Securities to Clients**

Beacon FA or its supervised persons may accept compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

IAR's of Beacon Financial Advisory are also registered representatives of a broker-dealer and are also insurance agents.

#### ***1. This is a Conflict of Interest***

Supervised persons may accept compensation for the sale of securities or other investment products, including asset based sales charges or service fees from the sale of mutual funds or alternative investments, including but not limited to real estate investments trusts, business development companies, and private placements to Beacon FA's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which the supervised persons receives compensation, Beacon FA will document the conflict of interest in the client file and inform the client of the conflict of interest.

**2. *Clients Have the Option to Purchase Recommended Products From Other Brokers***

Clients always have the option to purchase Beacon FA recommended products through other brokers or agents that are not affiliated with Beacon FA.

**3. *Commissions are not the Primary Source of Income for Beacon FA***

Commissions are not Beacon FA's primary source of compensation. However, the associated persons of Beacon FA, as registered representatives and insurance agents may receive commissions.

**4. *Advisory Fees in Addition to Commissions or Markups***

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

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

Beacon FA 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**

Beacon FA generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

***Minimum Account Size***

There is no account minimum for any of Beacon FA's services.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

Beacon FA's methods of analysis include charting analysis, fundamental analysis, technical analysis, quantitative analysis and modern portfolio theory.

- **Charting analysis** involves the use of patterns in performance charts. Beacon FA uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.
- **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.
- **Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.
- **Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

#### *Investment Strategies*

Beacon FA uses long term trading, short term trading, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

**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*

- **Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.
- **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 take into account new patterns that emerge over time.
- **Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.
- **Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### *Investment Strategies*

Beacon FA's use of short sales, margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

- **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 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, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.
- **Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.
- **Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

- **Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

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

### **C. Risks of Specific Securities Utilized**

Beacon FA's use of short sales, margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

- **Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature or stock "equity" nature.
- **Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.
- **Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked 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. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.
- **Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss. Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a

significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

- **Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.
- **Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet retirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.
- **Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities. The market to resell these assets may not exist and therefore the ability to value these assets is diminished and liquidation of these assets may be subject to a substantial discount.
- **Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.
- **Options** are contracts to purchase or sell a security at a given price, risking that an option may expire out of the money resulting in minimal or no value or it could expire in the money and cause the holder to deliver the security. An uncovered call option is a type of options contract that is not backed by an offsetting position. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps hedge the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Past performance is not indicative of future results. 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**

IAR's of Beacon Financial Advisors may be registered representatives of Lincoln Investment and IAR's of Capital Analysts or Lincoln Investment, and are independent licensed insurance agents.

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

Neither Beacon FA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

As a fiduciary, Beacon Financial Advisory LLC is required to act in the best interest of the client and clients are in no way required to utilize the services of any representative of Beacon Financial Advisory LLC in connection with such individual's activities outside of Beacon Financial Advisory LLC.

*Investment Adviser Representatives acting as insurance agents and/or registered representatives of a broker-dealer.*

Some or all of the Investment Adviser Representatives (IARs) of Beacon FA are also licensed as registered representatives of Lincoln Investment. (Lincoln Investment), a registered broker-dealer. As such, your IAR may also act as agent and offer you securities

(such as mutual funds, stocks, or bonds). Your IAR may also offer insurance products, including fixed annuities and life insurance sales, either through Lincoln, another insurance agency, or as independent agents. If you choose to engage with your IAR in these other services or products, the IAR may receive additional compensation typically in the form of commissions. Clients should be aware that services that pay a commission or other compensation create a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Beacon FA always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any IAR of Beacon FA in such individual's outside capacities.

Your IAR and Beacon FA must disclose or make available to Lincoln, confidential information about its customers. Lincoln shall only use this information for supervisory purposes. Your IAR and Beacon FA have entered into a confidentiality agreement with Lincoln to ensure your information is protected.

Supervised person of Beacon Financial Advisory are licensed insurance agents and appointed with various unaffiliated insurance carriers . Further information about these other activities is described in each person's accompanying Form ADV part 2B brochure supplement.

These activities create a conflict of interest as supervised persons have an incentive to recommend insurance products based on commissions or other benefits received from the insurance company, rather than on the client's needs. Additionally, the offer and sale of insurance products by supervised persons of Beacon Financial Advisory are not made in their capacity as a fiduciary, and products are limited to only those offered by insurance.

Beacon Financial Advisory addresses this conflict of interest by requiring its supervised persons to act in the best interest of the client at all times, including when acting as an insurance agent. Beacon Financial Advisory periodically reviews recommendations by its supervised persons to assess whether they are based on an objective evaluation of each client's risk profile and investment objectives rather than on the receipt of any commissions or other benefits. Beacon Financial Advisory will disclose in advance how it or its supervised persons are compensated and will disclose conflicts of interest involving any advice or service provided. At no time will there be tying between business practices and/or services; a condition where a client or prospective client would be required to accept one product or service conditioned upon the selection of a second, distinctive tied product or service.

No client is ever under any obligation to purchase any insurance product. Insurance products recommended by BEACON FINANCIAL ADVISORY supervised persons may also be available from other providers on more favorable terms, and clients can

purchase insurance products recommended through other, un-affiliated insurance agencies.

***Investment Adviser Representatives acting as Investment Adviser Representatives for another Registered Investment Adviser.***

Some or all of the Investment Adviser Representatives (IARs) of Beacon FA are also licensed as IARs of Capital Analyst, registered investment advisers. As such, your IAR may also offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest in choosing with which Registered Investment Adviser to utilize as the amount of compensation may change based on which adviser was chosen. Beacon FA always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any IAR in any capacity.

Beacon FA is not affiliated with Lincoln Investment, , or Capital Analysts Inc. and is separately responsible for complying with the rules and regulations of the Investment Advisers Act of 1940 and/or any applicable states' rules and regulations relating to investment advisory activities. Neither Lincoln Investment or Capital Analysts conducts due diligence of the Beacon FA's advisory services nor endorses any advisory services offered by Beacon FA.

***Investment Adviser Representatives acting as accountants individually or for an accounting firm.***

Some Investment Adviser Representatives (IARs) are also accountants. From time to time, they will offer clients advice or products from this activity either individually as accountants, through a separate entity, or as part of the financial planning services provided by Beacon FA. When this activity is included as part of the financial planning services, there is no additional compensation or fee for providing tax/accounting services. In some cases, this activity will be completed outside their scope as IARs of Beacon FA and will receive additional compensation. When this happens, a conflict of interest exists because this activity creates additional compensation for the accountants. Clients will be made aware of the additional compensation. Beacon FA always acts in the best interest of the clients. Clients are in no way required to utilize the services of any IAR of Beacon FA in their capacity as an accountant. The additional accounting firms include: Tartan Tax CPAs LLC and Pease & Co.

***Investment Adviser Representatives operating under other business names.***

Some Investment Adviser Representatives (IARs) may market and operate under a different business name other than Beacon FP. While not considered an outside business activity, they may offer services through this other business name. These names include: Beacon Financial Partners, Beacon CFO, Tartan Wealth Management, FNA Wealth Management LTD. Other

marketing names for advisory business and other activities include Buckeye Deferred Comp, Tropp O'Toole James Private Wealth Management, and Raymond Tropp Financial Advisory.

***Investment Adviser Representatives operating as an attorney.***

Joseph C Randazzo is a lawyer. From time to time, he will offer clients advice on basic estate planning and document drafting. As a fiduciary, Randazzo Law Office and Beacon FA are required to act in the best interest of the client. Clients are in no way required to utilize the services of any representative of Beacon FA or Randazzo Law Office in their capacity as a lawyer.

***Life Settlement Activity***

Some Investment Adviser Representatives (IARs) are involved in life settlements. As such, your IAR may also act as agent and offer to you an investment in a life settlement contract. If you choose to engage with your IAR in this activity, the IAR may receive additional compensation typically in the form of commissions. Clients should be aware that services that pay a commission or other compensation create a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Beacon FA always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any IAR of Beacon FA in such individual's outside capacities.

***Other Business Activities***

Gregory Randall is the sole owner of the Registrant and he is also the sole owner of Beacon Financial Partners, LLC ("BFP"). BFP serves as an Office of Supervisory jurisdiction for Lincoln Investment and may also offer financial planning services to the Registrant's advisory clients.

Some Investment Adviser Representatives (IARs) are involved in real estate rentals. As such, your IAR may receive additional rental income from tenants. This would only create a conflict of interest if you were solicited to become tenants. Beacon FA always acts in the best interest of the clients. Clients are in no way required to utilize the services of any IAR of Beacon FA in their capacity as a renter for residential or business purposes.

***Volunteer Activities***

Some Investment Adviser Representatives also serve in various volunteer positions that pay no compensation and do not create a conflict of interest. These activities will be more thoroughly disclosed on the representatives ADV Part 2B. Some of these activities include such things as board positions, trustee positions and committee positions.

The Designated Supervisor or his or her designee will periodically review the investment advisory activities, client communications, and your advisor's adherence to the registered investment adviser's Code of Ethics. In addition, the Designated Supervisor will monitor

the advice being provided to ensure that your advisor is providing the services for which the advisor was engaged.

As a fiduciary, Beacon Financial Advisory LLC is required to act in the best interest of the client and clients are in no way required to utilize the services of any representative of Beacon FA in connection with such individual's activities outside of Beacon FA.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

Beacon FA may utilize third-party investment advisers, third party platforms, or turn-key asset management programs for certain clients, including Symmetry Partners and SEI. This relationship will be memorialized in each contract between Beacon FA and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that Beacon FA has an incentive to direct clients to the third-party investment advisers that charge Beacon FA and/or its clients a lower fee. Beacon FA will always act in the best interests of the client, including when selecting third-party investment advisers/turn-key asset management programs. Beacon FA will ensure that all recommended advisers are exempt, licensed or notice filed in the states in which Beacon FA is utilizing them.

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

#### **A. Code of Ethics**

Beacon FA 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. Beacon FA's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

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

#### **C. Investing Personal Money in Similar Securities as Clients**

From time to time, representatives of Beacon FA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Beacon FA 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. Beacon FA will monitor any transactions that could be construed as conflicts of interest and will ensure clients transactions are executed first.

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

From time to time, representatives of Beacon FA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Beacon FA 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; however, Beacon FA will ensure clients receive the best price.

### **Item 12: Brokerage Practices**

#### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on Beacon FA's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Beacon FA may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Beacon FA's research efforts. Beacon FA will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Beacon FA will recommend that clients use Charles Schwab & Co., Inc. Advisor Services, or Fidelity Investments for a custodian.

##### ***Research and Other Soft-Dollar Benefits***

Beacon FA does not receive products or services other than execution ("soft dollar benefits") from a broker-dealer or third-party for generating commissions, but does receive additional economic benefits described in Item 14.

##### ***Brokerage for Client Referrals***

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

##### ***Clients Directing Which Broker/Dealer/Custodian to Use***

Beacon FA will recommend that clients use a specific broker-dealer, but will allow direct brokerage. By directing brokerage, Beacon FA may be unable to achieve most

favorable execution of client transactions which could cost clients' money in trade execution. Not all advisers require or allow their clients to direct brokerage.

#### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If Beacon FA buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, Beacon FA would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Beacon FA would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Reviews of Accounts**

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

All client accounts for Beacon FA's advisory services provided on an ongoing basis are reviewed at least annually by the adviser and supervised by Deborah Lynn George, Chief Compliance Officer (CCO), or another principal of the Firm. with regard to clients' respective investment policies and risk tolerance levels. All accounts at Beacon FA are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Deborah Lynn George, CCO, or another principal of the Firm. There is only one level of review for financial planning, 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).

With respect to financial plans, Beacon FA's services will generally conclude upon delivery of the financial plan unless the client chooses to engage Beacon FA for portfolio management services.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of Beacon FA's advisory services provided on an ongoing basis will receive a at least a quarterly statement detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. Beacon FA will also provide at least annually a separate written report to the client.

Each financial planning client will receive the financial plan upon completion.

## **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 Beacon FA 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 Beacon FA 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 Beacon FA other products and services that benefit Beacon FA but may not benefit its clients' accounts. These benefits may include national, regional or Beacon FA 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 Beacon FA 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 Beacon FA 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 Beacon FA'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 Beacon FA's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to Beacon FA other services intended to help Beacon FA 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 Beacon FA 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 Beacon FA. Beacon FA is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

Beacon FA participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. Beacon FA receives some benefits from TD Ameritrade through its participation in the Program.

As part of the Program, Beacon FA may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Beacon FA's participation in the Program and the investment advice it gives to its clients, although Beacon FA receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Beacon FA participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have Beacon FA's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Beacon FA by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by Beacon FA's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit Beacon FA but may not benefit its client accounts. These products or services may assist Beacon FA in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Beacon FA manage and further develop its business enterprise. The benefits received by Beacon FA or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Beacon FA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Beacon FA or its related persons in and of itself creates a conflict of interest and may indirectly influence Beacon FA's choice of TD Ameritrade for custody and brokerage services.

#### **B. Compensation to Third Party Personnel for Client Referrals**

Beacon FA compensates third party solicitors for client referrals. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law.

#### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, Beacon FA will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

Beacon FA provides discretionary and non-discretionary investment advisory services to clients. The client contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Beacon FA generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, Beacon FA's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to Beacon FA).

### **Item 17: Voting Client Securities (Proxy Voting)**

Beacon FA 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**

Beacon FA neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither Beacon FA nor its management has any financial condition that is likely to reasonably impair Beacon FA's ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

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