

**Item 1: Cover Sheet**

**FORM ADV PART 2A  
INFORMATIONAL BROCHURE**



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**This brochure provides information about the qualifications and business practices of Heritage Financial, LLC. If you have any questions about the contents of this brochure, please contact us at (703) 754-1233 or via email at [eclark@heritagefinllc.com](mailto:eclark@heritagefinllc.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. Our registration does not imply a certain level of skill or training.**

**Additional information about Heritage Financial, LLC (CRD# 285149) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2: Statement of Material Changes**

In this Item, Heritage Financial, LLC is required to identify and discuss material changes since filing its last annual amendment. Since filing its last annual amendment on March 16, 2023, the following material changes have occurred:

Effective Date	Brochure Item(s)	Description
1/1/2024	Item 4	Effective 1/1/2024, Mark Cooke is no longer a Member of the firm.

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#### **Item 4:       Advisory Business**

Heritage Financial, LLC (“HF”) has been in business since September, 2016. David K. Morton III and Elizabeth L. Clark are the firm’s principal owners.

HF provides investment management and financial planning services to individuals, families, trusts, charitable organizations and foundations, small businesses, and corporations. Our goal is to help each client, through collaboration, guidance, and education, obtain a better understanding of how they relate to money, what it means to them, and how these values drive their decisions. HF feels that this results in a better decision-making process, as both the client and HF have a better understanding of the client’s vision for the future.

HF’s engagement process begins with an introductory conversation, designed to determine whether our philosophies and personalities are a good match for what each particular client needs from an advisor. After a good fit is determined, HF will begin the LifeMap Discovery process, the most important part of the relationship. LifeMap Discovery involves the gathering information from the client and is not limited to just a client’s financial circumstances. HF wants to gather as much information as possible to find out what drives each client. These underlying motivational factors may not always be quantitative, but are as important as a number such as age or years to retirement, as they help HF find the client’s true goals. HF then reviews this information, and provides to the client a preliminary proposal of recommendations and action items. Depending on each client’s needs, this may result in the delivery of a written plan, but may also be a brief summary presented to the client. HF may provide detailed investment advice and specific recommendations as part of the preliminary plan.

Once clients have their plan, the decision is theirs how to implement it. If the client decides to implement the preliminary plan through HF, the client will become an asset management client, at which point all clients will be required to sign an agreement between the client and HF, which outlines the firm’s and the client’s responsibilities during the engagement.

##### **Asset Management**

For the majority of client accounts, HF retains an independent third-party account administrator and asset manager (Buckingham Strategic Partners, LLC (“Buckingham”)) that performs certain services such as account administration, portfolio allocation analysis, back-office fulfillment, report and statement production, and billing services. Buckingham also provides a diverse range of model portfolios that are available to HF clients. The model portfolios chosen by HF are based on the client’s financial profile, goals, time horizon and risk tolerance. Such services are paid for directly through advisory fees billed to the client or are indirectly paid by HF. Buckingham is an investment adviser registered with the Securities and Exchange Commission. Buckingham and HF are not affiliated.

HF works closely with Buckingham to implement and monitor the individual portfolios that the firm has recommended for each of its clients.

When HF performs asset management services, HF will generally do so on a discretionary basis. This includes the discretionary authority to buy, sell, and otherwise transact securities and investment

products in clients' accounts without consulting clients in advance, and to take the actions necessary or incidental to execute trading instructions in clients' accounts. Services may include incidental financial planning and advice from time to time regarding the allocation of clients' assets among various securities and investments. HF's discretionary authority explicitly includes the authority to retain Buckingham or another independent and unaffiliated third-party investment adviser (a "Third-Party Advisor") to manage and execute the day-to-day implementation of HF's investment management decisions if HF deems appropriate. A Third-Party Advisor may be retained on clients' behalf or on HF's behalf for so long as HF deems fit, but in either case the Third-Party Advisor will be disclosed to each applicable client in writing in advance of such retention. Depending on the Third-Party Advisor's requirements and the negotiated agreement between the Third-Party Advisor and HF, clients may be asked to sign a separate agreement with such Third-Party Advisor. Clients can always make deposits or withdrawals, or place restrictions on the types of investments in an account or portfolio.

For client accounts that are more suitably managed without the assistance of Buckingham or another Third-Party Advisor (typically employer-participant accounts or smaller accounts), HF will generally recommend that such clients invest directly into shares of the American Funds, a mutual fund company advised by the Capital Research and Management Company. Client accounts opened at and held by the American Funds will receive statements and reports directly from American Funds, and will incur fees charged by American Funds and not HF. As described more fully in Item 14, HF will receive compensation from American Funds for HF client assets invested into American Funds.

### Financial Planning

Financial planning is generally included as part of the overall relationship. Prior to any asset management services, most HF clients are provided with a summary of the LifeMap Discovery meeting or other personalized reports, so that the investment decisions made in the asset management process can closely track the goals of the client's financial plan. In some circumstances, financial planning is done on a stand-alone basis for a separate and additional fee. This option is available to clients who wish to have financial planning services performed, but may have limited or no assets for ongoing asset management services, or who require their financial plan to be updated on an ongoing basis.

If you request, HF may recommend the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from HF. If you engage any professional recommended by HF, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing in an advisory agreement shall in any way constitute a waiver or limitation of any rights that the client may have under federal and state securities laws.

### Wrap Program

HF does not participate in any wrap fee program.

### ERISA Accounts

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 (“ERISA”) and/or the Internal Revenue Code (the “Code”), as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we must:

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

### Assets Under Management

As of December 31, 2023, HF manages \$256,810,415 regulatory assets under management on a discretionary basis and \$23,800,882 regulatory assets under management on a non-discretionary basis.

## Item 5: Fees and Compensation

### A. Fees Charged

All investment management clients will be required to execute a Financial Services and Advisory Agreement that will describe the type of management services to be provided and the fees, among other items. Clients who utilize the services of Buckingham will be required to execute a separate Investment Advisory Agreement that describes the management services to be provided and the fees, and outlines the responsibilities of each party (HF, Client, and Buckingham). More information about Buckingham and its services and fees can be found in Buckingham's disclosure brochure. Clients are advised that they may pay fees that are higher or lower than fees they may pay another advisor for the same services, and may in fact pay lower fees for comparable services from other sources. Clients are under no obligation at any time to engage or to continue to engage HF for advisory services. If clients do not receive a copy of this brochure and Buckingham's disclosure brochure (where applicable) at least 48 hours prior to the execution of an Agreement, clients may terminate the agreement within the first five (5) business days without penalty.

### Asset Management

Generally, fees vary from 0.00% to 1.50% per annum of the market value of a client's assets managed by HF. The fee range stated is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other financial planning factors. All clients, but especially those with smaller accounts, should be advised they may receive similar services from other professionals for higher or lower overall costs. The fees shown below are the highest levels charged by HF for its standard services.

Assets Under Management	Annual Rate
\$0-\$500,000	1.50%
\$500,001-\$1,000,000	1.40%
\$1,000,001-\$2,500,000	1.00%
\$2,500,001-\$10,000,000	0.50%
\$10,000,001 and greater	0.30%

For clients who utilize the services of Buckingham as administrator and asset manager, Buckingham charges an administration fee based upon the total value of the assets in accounts that are managed by HF and serviced by Buckingham. Buckingham's administration fee schedule is found below. HF's above fee schedule is inclusive of any administration fees charged by Buckingham for the services it provides to client's account. In other words, HF pays Buckingham from the advisory fee HF collects.

Total Client Assets Under Administration	Annual Rate (Paid by HF)
For the first amount from \$0 to \$50,000,000	0.30%
For any amount over \$50,000,000	0.15%

## Financial Planning

In circumstances when financial planning is done on a stand-alone basis, the fees charged are based on the fee agreed upon by the adviser and client. The arrangement is typically provided on a fixed fee basis, and the fixed fees will range from \$1,000 to \$10,000. Financial planning fees are negotiable. These fees are dependent on the nature of the engagement, and are decided upon on a case-by-case basis. At the discretion of HF, financial planning services may be done on an hourly basis with a rate of \$475 per hour.

### B. Fee Payment

## Asset Management:

For clients whose assets are managed in conjunction with Buckingham, investment advisory fees will be debited directly from each client's account by HF's account administrator, Buckingham. The advisory fee is paid quarterly, in advance, based upon the market value of the assets being managed by HF on the last day of the previous billing period as valued by the custodian of client assets. For example, if the client's annual fee is 1.00%, each quarter Buckingham will multiply the value of the client's account on the last day of the previous billing period by 1.00%, then divide by four to calculate the fee (i.e., based on a 360-day calendar year and four equal 90-day calendar quarters). To the extent there is cash in the client's account, it will be included in the value for the purpose of calculating fees. Once the calculation is made, Buckingham will instruct the client's account custodian to deduct the fee from the client's account and remit it to Buckingham, who will then remit HF its portion of the fees. While almost all of HF's clients have their fee debited from their account, HF may invoice clients at HF's discretion.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee.

## Financial Planning:

Some clients receive planning as part of their asset management engagement. In the event that a client receives stand-alone planning, fee payment terms will be negotiated on a case-by-case basis. Fees for financial planning may be charged in advance or in arrears, and clients may be expected to pay a portion of the financial planning fees upon engagement. Fees will be payable upon receipt of invoice from HF, or clients may elect to have financial planning fees debited from one of the investment accounts managed by HF. In no event will a client be required to prepay more than \$1,200 in fees and more than six (6) months in advance.

### C. Other Fees

There are a number of other fees that can be associated with holding and investing in securities. To the extent that client's assets are allocated among independent third-party managers, the fees charged by such third-party managers are separate and in addition to the fees charged by Advisor. Clients will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or exchange traded fund (ETF), or exchange fees for the purchase or sale of a stock. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by



the mutual fund manager. For a complete discussion of expenses related to each mutual fund, the client should read a copy of the prospectus issued by that fund. HF can provide or direct the client to a copy of the prospectus for any fund that HF recommends to the client. For more information on the fees charged by a custodian, please see Item 12.

D. *Pro rata Fees*

If a client becomes a client before the last day of the second month of a billing quarter, the client will pay a prorated management fee for the entire second two months of such billing quarter. If a client becomes a client after the last day of the second month of a billing quarter, the client will not be charged a management fee for such initial billing quarter, and management fees shall instead commence upon the first day of the next billing quarter. If a client terminates the relationship during a quarter, the client will be charged a management fee for the portion of the quarter during which they were a client. Once a client's notice of termination is received, HF will charge the fee through the date of transfer of the client's assets. HF will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be "de-linked", meaning they will no longer be visible to HF and will become a retail account with the custodian.

For stand-alone financial planning clients, part of the fee may be paid in advance. If a client terminates the relationship before the completion of the financial plan, any prepaid unearned fees will be returned to the client on a pro rata basis.

**Item 6:        Performance-Based Fees**

HF does not charge performance based fees.

**Item 7:       Types of Clients**

Clients advised may include individuals, families, trusts, charitable organizations and foundations, small businesses, and corporations. HF does not require any particular minimum amount of assets to be placed with HF.

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

It is important for clients to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

As described in Item 4, our goal at HF is to understand each client's unique needs and goals. After HF determines a client's goals, we can manage their assets accordingly. HF will develop a set of asset allocation guidelines for each client, and consider how much of their portfolio should be in Core and Satellite strategies, and in turn how much of each of those approaches should be invested in a given asset class. Because HF develops an investment strategy based on the client's personal situation and financial goals, a client's asset allocation guidelines may be similar to, or different from, another client's. Consistently communicating with HF will help us to manage the portfolio in keeping with those goals and changing circumstances.

Upon completion of the guidelines, HF will periodically recommend securities transactions in the client's portfolio to meet the guidelines of the investment strategy. It is important to remember that because market conditions can vary greatly, the client's asset allocation guidelines are not necessarily strict rules. Rather, HF reviews accounts individually, and may deviate from the strategies as we believe necessary.

Each client portfolio will be constructed using allocations to both Core and Satellite strategies. The Core construct is typically invested in broadly diversified asset classes, through the use of mutual funds and ETFs, to capture market or systematic returns that adequately compensate clients for the risk that is taken over time. In most cases, the Core portion of a client's portfolio will be managed by a third-party account administrator, typically Buckingham. Buckingham provides HF with portfolio allocations as well as a diverse range of model portfolios that are available to HF clients. It is possible that other investments may be utilized from time to time. The anchor of each portfolio is the Core element, and HF adds a Satellite element when deemed appropriate. The Satellite overlay, which we sometimes refer to as an alternative allocation, tends to show a low correlation with the Core investment strategy and may offer the potential to increase returns while lowering overall volatility. Some also have favorable tax characteristics.

HF examines the experience, expertise, investment philosophies and past performance of third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. HF monitors the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of HF's due-diligence process, we survey the manager's compliance and business enterprise risks.

When selecting individual positions to place into the Core and Satellite allocation for each client, HF focuses on overall value, which includes a review of costs. This means that HF analyzes not just a given manager or fund family or equity, but the costs associated with transactions to obtain the security and ongoing ownership costs (such as mutual fund management fees and expenses). HF believes that fewer and fewer managers are truly adding value as compared to the relative costs, which means selecting the right manager requires attention and diligence. HF strives to find the best mix of investments geared to provide clients with low cost options, while not surrendering the

potential for returns. Because of this, HF frequently recommends lower cost options such as mutual funds, as well as ETFs, individual stocks, bonds, and alternative investments. However, HF will evaluate and even recommend any security type or issue if we feel the client will benefit. HF bases its conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses.

In the past, HF may have recommended, where appropriate, that client invest in shares of the SA Funds – Investment Trust (the “SA Funds”), a family of ten asset class mutual funds that are advised, managed, and administered by Buckingham. We do not currently recommend these funds, and no longer charge our asset-based fees on such holdings, but some clients remain invested due to highly appreciated holdings. Buckingham does not charge fees directly on investments into the SA Funds because Buckingham receives certain fees and expenses directly from the SA Funds, as disclosed in each SA Fund’s prospectus.

Depending on a client’s given circumstances, HF may recommend that a client rollover retirement plan assets to an Individual Retirement Account (IRA) managed by HF. As a result, HF will typically earn fees on those accounts. This presents a conflict of interest, as HF has a financial incentive to recommend that a client roll over retirement assets into an IRA we will manage. This conflict is disclosed to clients verbally and in this brochure. Clients are also advised that they are under no obligation to implement the recommendation to roll over retirement plan assets. HF attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring employees to acknowledge their fiduciary responsibility toward each client. When evaluating whether to recommend that a client roll over workplace retirement plan assets into an IRA rather than keeping assets in a previous employer’s workplace retirement plan (or rolling over assets to a new employer’s workplace retirement plan), a variety of factors should be considered. The importance of these factors will depend on each client’s particular needs and circumstances. These factors will be analyzed and summarized on a client disclosure, and the resultant decision with respect to a client’s particular situation is based on what HF believes to be in clients’ best interests.

Additionally, part of the HF process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However, potential for conflicts of interest exist with the exchange of intergenerational information. HF attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household’s consent.

### Risk of Loss

There are always risks to investing. Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear. It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up

or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.

- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that HF may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. HF endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Margin Risk.** "Margin" is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. Upon specific request, HF may utilize margin on a limited basis for clients with higher risk tolerances.
- **Short Sales.** "Short sales" are a way to implement a trade in a security HF feels is overvalued. In a "long" trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor's loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. HF utilizes short sales only when the client's risk tolerances permit.
- **Risks specific to private placements, sub-advisors and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external

(provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.

- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited as compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.
- **Concentration Risk.** While HF selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.
- **Transition Risk.** As assets are transitioned from a client's prior advisers to HF there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by HF. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of HF may adversely affect the client's account values, as HF's recommendations may not be able to be fully implemented.
- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.
- **Risks Related to Investment Terms & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.
- **Activist Investing:** HF may recommend that portions of client portfolios be allocated to mutual funds with activist investing strategies, including but not limited to environmental, social, and governance-related strategies ("ESG Strategies"). Activist Investing involves shareholder activism that will attempt to influence the management of companies, and there exists the risk that the intended strategy for a particular company will be unsuccessful. Further, when securities are purchased in anticipation of influencing the future direction of a company, a substantial period of

time may elapse between the mutual fund's purchase of the securities and the anticipated results. In addition, if the anticipated results do not in fact occur, the mutual fund may be required to sell its investment at a loss. Moreover, there may be instances where the mutual fund will be restricted in transacting in or redeeming a particular investment as a result of its activist investment strategy. Because there is substantial uncertainty concerning the outcome of transactions involving the target companies in which the mutual funds may invest, there exists a potential risk of loss by the mutual fund of its entire investment in such companies. ESG Strategies may also not achieve their intended performance results notwithstanding the belief that companies managed and governed according to ESG principles may have a higher likelihood of doing so. There can be no guarantee that a company believed to be adhering to ESG principles may continue to do so, and investing based on personally-held beliefs may affect a portfolio's overall investment returns positively or negatively.

- **REITs:** HF may recommend that portions of client portfolios be allocated to real estate investment trusts, otherwise known as "REITs". A REIT is an entity, typically a trust or corporation, that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful, but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.
- **MLPs:** HF may recommend that portions of client portfolios be allocated to master limited partnerships, otherwise known as "MLPs". An MLP is a publicly traded entity that is designed to provide tax benefits for the investor. In order to preserve these benefits, the MLP must derive most, if not all, of its income from real estate, natural resources and commodities. While MLPs may add diversification and tax favored treatment to a client's portfolio, they also carry significant risks beyond more traditional investments such as stocks, bonds and mutual funds. One such risk is management risk-the success of the MLP is dependent upon the manager's experience and judgment in selecting investments for the MLP. Another risk is the governance structure, which means the rules under which the entity is run. The investors are the limited partners of the MLP, with an affiliate of the manager typically the general partner. This means the manager has all of the control in running the entity, as opposed to an equity investment where shareholders vote on such matters as board composition. There is also a significant amount of risk with the underlying real estate, resources or commodities investments. Clients should ask HF any questions regarding the role of MLPs in their portfolio.
- **Pledged Asset Accounts:** Upon specific request, HF may utilize pledged asset accounts for clients with a higher risk tolerance. These accounts are meant to hold assets pledged as collateral for loans offered and provided by the custodian. Assets held in these accounts are not FDIC-insured, are not guaranteed deposits or obligations, and are subject to investment risk, including possible loss of principal invested. Rebalancing and trading limitations may be present in pledged asset accounts and are subject to the approval of the custodian.



**Item 9:       Disciplinary Information**

HF is required to disclose any disciplinary information related to the firm or any of its related persons. There are no disciplinary items to report.

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

### **A. Broker-dealer**

Neither HF nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **B. Futures Commission Merchant/Commodity Trading Advisor**

None of the principals of HF, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **C. Relationship with Related Persons**

Three investment adviser representatives (“IAR”) of HF are separately licensed as independent insurance agents. As such, these IARs retain the ability to conduct insurance product transactions for HF clients, in their capacity as licensed insurance agents, and will receive customary commissions for these transactions in addition to any compensation received in their capacity as employees of HF. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. These IARs therefore have an incentive to recommend insurance products based on the compensation to be received, rather than on a client’s needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage HF or utilize these professionals to implement any insurance recommendations. HF attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with HF, or to determine not to purchase the insurance product at all. HF also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm’s Code of Ethics, their individual fiduciary duty to the clients of HF, which requires that employees put the interests of clients ahead of their own.

### **D. Recommendations of Other Advisers**

HF and its representatives recommend other advisers, including predominantly, if not exclusively, Buckingham. HF does not receive any compensation directly from Buckingham, but Buckingham does offer services that are intended to directly benefit HF, clients, or both. Such services include (a) an online platform through which HF can monitor and review client accounts, create model portfolios, and perform other client account maintenance matters, (b) access to technology that allows for client account aggregation, (c) quarterly client statements, (d) invitations to Buckingham’s educational conferences at a discount, (e) practice management consulting, and (f) occasional business meals and entertainment. HF attempts to mitigate this conflict by disclosing it to clients in this brochure and by requiring all representatives to follow the firm’s policies and procedures, which specifically note the fiduciary obligation to place client interests ahead of the individual representative’s or HF’s. Fees for such programs may be higher

or lower than if a client directly obtained services of the third-party manager or if a client obtained advisory services separately.

Specifically, HF recommends that certain clients allocate assets to Buckingham. Buckingham is not affiliated with HF (there is no common ownership). While Buckingham imposes separate and additional fees to clients for their services, HF pays all such fees on client's behalf, meaning that clients do not pay any additional fees for the use of Buckingham. For more information regarding HF's use of third-party managers, including Buckingham, please see the responses to Item 5 and Item 8 for a full discussion.

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

A. A copy of HF's Code of Ethics is available upon request. HF's Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. HF does not recommend to clients that they invest in any security in which HF or any principal thereof has any financial interest.

C. On occasion, an employee of HF will purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. This presents a conflict of interest, as these employees have the ability to place a personal trade before or after a client transaction, potentially giving the employee an added benefit. HF's Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

## **Item 12: Brokerage Practices**

### **A. Recommendation of Custodial Broker-Dealer**

HF does not maintain custody of client assets, though HF may be deemed to have custody if a client grants HF authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. For client assets managed in conjunction with Buckingham, HF recommends that investment accounts be held in custody by Charles Schwab & Co., Inc. (“Schwab”), which is a qualified custodian. Schwab will hold the client’s assets in a brokerage account and buy and sell securities when HF instructs them to, which HF does in accordance with its agreement with the client. While HF recommends that the client uses Schwab as its custodial broker-dealer, the client will decide whether to do so and will open one or more accounts with Schwab by entering into an account agreement directly with Schwab. HF does not open the account for the client, although HF may assist the client in doing so. Even though the client’s account is maintained at Schwab, HF can still use other brokers to execute trades for the client’s account as described below (see “The Client’s brokerage and custody costs”).

For client assets invested into American Funds, such client assets will be held directly by American Funds and not Schwab. All custodial functions, including the safekeeping of client assets and reporting thereon, will be performed by American Funds.

### **How HF recommends custodial broker-dealers**

HF seeks to recommend a custodial broker-dealer that will hold the client’s assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. HF considers a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. Schwab adds value beyond commission cost. HF does not consider whether Schwab refers clients to HF as part of our evaluation of these broker-dealers.

### **The Client’s brokerage and custody costs**

For our clients’ accounts that Schwab maintains, Schwab generally does not charge the client separately for custody services (except in the case of alternative assets), but is compensated by charging the client commissions or other fees on trades that it executes or that settle into the client’s Schwab account. Schwab’s commission rates applicable to client accounts were negotiated based on HF’s original commitment in 2016 to bring \$73 million of our client’s assets in accounts at Schwab within the first twelve months of operation. This commitment benefits the client because the overall commission rates the client pays are lower than they would be if HF had not made the commitment. In addition to commissions, Schwab charges the client a flat dollar amount as a “prime broker” or “trade away” fee for each trade that HF has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client’s Schwab account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client’s trading costs, HF has Schwab execute most trades for the client’s account. HF has determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of the client’s trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

In certain limited circumstances and only when necessitated by the specific assets to be traded, HF will engage Schwab as prime broker to have such trades executed by another independent third-party broker-dealer. As of the date of this brochure, HF only engages in this practice with respect to clients that wish to purchase shares of Preferred Apartment Securities as issued by Preferred Capital Securities, which shall be executed by RBC Capital Markets. For these particular transactions, clients will not be charged a prime brokerage fee or any additional transaction fee in addition to the standard Schwab transaction fee.

### **Products and services available to us from Schwab**

Schwab Advisor Services (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like HF. It provides HF and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help HF manage or administer our clients' accounts, while others help HF manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to HF. Following is a more detailed description of Schwab's support services:

*Services that benefit you.* Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit the client and their account.

*Services that may not directly benefit you.* Schwab also makes available to HF other products and services that benefit us but may not directly benefit clients and their accounts. These products and services assist HF in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. HF typically uses this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. Accordingly, benefits we receive from Schwab are used to service all of our clients, and not just those whose assets are in custody with Schwab. HF therefore does not seek to allocate benefits to clients in accordance with the benefits their activity may generate, as the benefits we receive are execution and research related. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

*Services that generally benefit only us.* Schwab also offers other services intended to help HF manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to HF. Schwab retains the discretion to discount or waive its fees for some of these services or pay all or a part of a third-party's fees. From time to time, Schwab also provides HF with other benefits, such as occasional business entertainment of our personnel.

*Pledged Asset Accounts.* The Pledged Asset Line is a non-purpose revolving line of credit offered by Charles Schwab Bank ("Schwab Bank") secured by eligible assets held in a separate Pledged Asset Account maintained by Schwab.

HF has adopted policies and procedures designed to ensure, at account opening and thereafter, that our use of Schwab's services is appropriate for each of our clients.

HF does not consider whether Schwab or any other custodial broker-dealer refers clients to HF as part of our evaluation of these broker-dealers.

In choosing whether to execute a trade for a client account with Schwab, the most common considerations are cost and the specific security availability.

#### *Administrator*

As discussed in Item 4, HF generally retains an independent third-party account administrator ("Buckingham") that performs certain services such as account administration, portfolio allocation analysis, back-office fulfillment, report and statement production, and billing services. Such services are paid for directly through advisory fees billed to the client or are indirectly paid by HF. Buckingham is an investment adviser registered with the Securities and Exchange Commission.

Buckingham generally is granted discretion over client assets. The client designates the broker-dealer and custodian to execute transactions in the client's account from among those broker-dealer custodians that have an existing relationship with Buckingham. Buckingham requires that a client designate a custodian from among Pershing Advisor Solutions, Fidelity Brokerage Services LLC, Charles Schwab & Company, Inc., or TD Ameritrade Institutional. Neither HF nor Buckingham seeks better execution services or prices from brokers or dealers other than that chosen by the client, which may result in the client paying higher commissions, transaction costs or spreads, or receiving less favorable net prices on transactions for the client's account.

Buckingham also sponsors educational seminars for the benefit of HF and its clients. Such educational seminars provide HF with access to information and ideas regarding practice development, client servicing, investment strategy, relationship management and financial planning. Attendance expenses associated with such educational seminars may be paid or reimbursed, either in whole or in part, by Buckingham. This creates a conflict of interest to the extent it incentivizes HF to recommend Buckingham as opposed to a comparable third-party account administrator and asset manager. HF addresses this conflict of interest by disclosing such sponsorship in this brochure, by evaluating Buckingham on the merits of the services it provides to HF clients, and by adhering to its fiduciary duty to act in the best interests of clients.

## **Directed Brokerage**

HF does not require that clients direct HF to execute trades through a particular broker-dealer (directed brokerage arrangements). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer. This means that the client, and not HF, will be in the best position to seek and secure the best value for the costs of execution. This means that the client may not pay the most cost effective commission rates. HF will not be able to aggregate orders under these circumstances, which may result in higher commission costs or transaction fees because the trading costs are not allocated among a group. Clients also may not benefit from commission rates HF may be able to negotiate. Further, there may be some transactions in certain securities that must be placed first through HF's recommended broker-dealer. In some circumstances, placing those trades first may mean that a client who directs brokerage may not only pay a higher commission cost, they may also pay a higher price for a given security. In general, clients may not receive value for the commission dollar spent, may spend more than is necessary for execution services, and may have reduced gains in their accounts as a result of directed brokerage.

### **B. Aggregating Trades**

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, HF will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, if a *pro rata* division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)



**Item 13:      Review of Accounts**

All accounts will be managed on an ongoing basis, with formal reviews with the client by a member of senior management on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

The annual report in writing provided by Buckingham on HF's behalf is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from Schwab or American Funds. Additionally, all clients will receive quarterly statements from Buckingham, who issues statements on HF's behalf. Please refer to Item 15 regarding Custody.

**Item 14: Client Referrals and Other Compensation**

- A. Nobody other than clients provide an economic benefit to HF for providing investment advice or other advisory services to clients. However, as described above in Item 12, Schwab and Buckingham provide certain products and services that are intended to directly benefit HF, clients, or both.

When appropriate, HF will advise certain clients to invest into shares of the American Funds, a mutual fund company advised by the Capital Research and Management Company. Depending on the share class into which HF clients are invested, HF will generally receive compensation from American Funds based upon the amount of HF client assets invested into such American Funds. Such compensation typically ranges from 0.25% to 0.75% of the HF client assets invested into the respective American Funds. This is a conflict of interest. HF believes, however, that our recommendation of the American Funds is in the best interests of those clients to whom it is recommended. This is primarily supported because the fees charged by American Funds are generally less than what would otherwise be charged to Client by HF under its alternative financial services fee schedule (which is designed for larger accounts that require more financial planning and other related services). HF has adopted policies and procedures designed to ensure, at account opening and thereafter, that our recommendation of American Funds is appropriate for each of our clients.

- B. Compensation to Non-Advisory Personnel for Client Referrals.

HF does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

**Item 15: Custody**

HF's administrator, Buckingham deducts fees from client accounts, but HF would not have custody of client funds otherwise. Clients will receive statements directly from Schwab or American Funds, as the case may be, and copies of all trade confirmations directly from Schwab or American Funds, as the case may be.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian. Each quarter, clients will receive a billing statement, including the fee schedule, the amount of assets on which the fee is based, and the time period covered by the fee. The invoice will also state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee. For clients that have provided HF with discretion as to amount and timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s), HF will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto. At no time will HF accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

HF encourages clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on the client's quarterly report prepared by HF against the information in the statements provided directly from Schwab. Please alert HF of any discrepancies.

**Item 16: Investment Discretion**

HF typically accepts discretionary authority to manage securities accounts on behalf of clients only pursuant the mutual written agreement of HF and the client through a power-of-attorney, which is contained in the advisory agreement signed by HF and the client. Clients may place reasonable limitations on this discretionary authority so long as it is contained in a written agreement and/or power-of-attorney.

**Item 17:      Voting Client Securities**

Copies of HF's Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, ETFs or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. HF will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. HF will not give clients advice on how to vote proxies.

**Item 18: Financial Information**

HF does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair HF's ability to meet our contractual obligations to our clients.

There have been no bankruptcy proceedings involving HF during the last ten years.

Item 1: Cover Sheet

**FORM ADV PART 2B**  
**BROCHURE SUPPLEMENT**

**David K. Morton, III**



HERITAGE FINANCIAL, LLC  
7001 Heritage Village Plaza, Suite 190  
Gainesville, VA 20155

(703) 754-1233

**This Brochure Supplement provides information about David K. Morton, III that supplements the Heritage Financial, LLC Brochure. You should have received a copy of that Brochure. Please contact us at 703-754-1233 if you have any questions about the contents of this supplement. Registration does not imply any certain level of skill or training.**

**Additional information about David K. Morton, III is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching CRD# 4912079.**

**Item 2: Educational Background and Business Experience**

**David K. Morton, III**

**Born: 1972**

**EDUCATION:**

B.S.B.A in International Finance, American University, 1994

MBA in Finance and Investments, George Washington University, 2004

**BUSINESS EXPERIENCE:**

Heritage Financial, LLC  
Principal, 10/2016 - Present

The Strategic Financial Alliance, Inc.  
Registered Representative, 01/2011 – 12/2017

Acorn Financial Advisory Services, Inc. d/b/a Heritage Financial  
Investment Advisor Representative, 01/2011 - 10/2016

H. Beck, Inc. d/b/a Heritage Financial  
Registered Representative, Investment Advisor Representative, 01/2009 – 01/2011

Capitol Financial Partners/MassMutual Investment Services, Inc.  
Registered Representative, Investment Advisor Representative, 02/2005 – 01/2009

**PROFESSIONAL DESIGNATIONS:**

**CLTC - Certified in Long-Term Care**

The CLTC designation is a long-term care planning designation granted by the Corporation for Long-term Care Certification to individuals who satisfy educational, work experience and ethics requirements. Recipients of the CLTC have completed a rigorous multidisciplinary course and examination that focuses on long-term care. To maintain this designation, the CLTC must satisfy continuing education requirements and adhere to the CLTC Code of Professional Responsibility. The CLTC curriculum is intended to educate professionals about the potential impact to an individual or their loved ones of an extended need for professional care.

**Item 3: 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 each supervised person providing investment advice. No information is applicable to this Item for Mr. Morton.



**Item 4: Other Business Activities**

Registered investment advisers are required to disclose all material facts regarding any outside business activity.

Mr. Morton is separately licensed as an independent insurance agent. As such, Mr. Morton may conduct insurance product transactions for HF clients, in his capacity as a licensed insurance agent, and will receive customary commissions for these transactions in addition to any compensation received in his capacity as an employee of HF. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. Mr. Morton therefore has an incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage HF or utilize Mr. Morton to implement any insurance recommendations. HF attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with HF, or to determine not to purchase the insurance product at all. HF also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of HF, which requires that employees put the interests of clients ahead of their own.

**Item 5: Additional Compensation**

Mr. Morton does not receive any economic benefit from any third-party other than clients for providing advisory services. Such economic benefits are conveyed through Heritage Financial, LLC.

**Item 6: Supervision**

Mr. Morton is a principal of the firm, and is supervised by the firm's Chief Compliance Officer, Elizabeth Clark. Additionally, all employees of HF are required to follow the supervisory guidelines and procedures manual which is designed to ensure compliance with securities laws in the states where HF is registered. Elizabeth Clark may be contacted at (703) 754-1233.

Item 1: Cover Sheet

**FORM ADV PART 2B**  
**BROCHURE SUPPLEMENT**

**Elizabeth L. Clark**



HERITAGE FINANCIAL, LLC  
7001 Heritage Village Plaza, Suite 190  
Gainesville, VA 20155

(703) 754-1233

**This Brochure Supplement provides information about Elizabeth L. Clark that supplements the Heritage Financial, LLC Brochure. You should have received a copy of that Brochure. Please contact us at 703-754-1233 if you have any questions about the contents of this supplement. Registration does not imply any certain level of skill or training.**

**Additional information about Elizabeth L. Clark is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching CRD# 4993390.**

**Item 2: Educational Background and Business Experience**

**Elizabeth L. Clark**

**Born: 1978**

**EDUCATION:**

B.S. in General Studies, Wichita State University, 2005

**BUSINESS EXPERIENCE:**

Heritage Financial, LLC  
Principal, 10/2016 - Present

The Strategic Financial Alliance, Inc.  
Registered Representative, 12/2015 – 12/2017

Acorn Financial Advisory Services, Inc. d/b/a Heritage Financial  
Director of Client Accounts, 09/2011 - 10/2016

Keystone Asset Management, Inc.  
Senior Financial Planning Assistant, 04/2011 – 08/2011

Pacific West Securities  
Registered Representative, 04/2009 – 03/2011

Navigator Wealth Management, LLC  
Financial Paraplanner, 01/2008 – 03/2011

**PROFESSIONAL DESIGNATIONS:**

**Investment Adviser Certified Compliance Professional (IACCP®)**

The IACCP® is a professional educational program and resultant designation co-sponsored by National Regulatory Services and the Investment Adviser Association that is granted to those that complete an online and/or in-person instructor-led program of study, pass a certifying examination, and meet its work experience, ethics and continuing education requirements. Participants receive a grounding in the rules and regulations required for investment advisers. The program provides a step-by-step examination of the Investment Advisers Act of 1940 and related state and federal regulations, guidance for building a strong compliance program and highlights best practices that can immediately be implemented at firms. Coursework consists of 17 required compliance courses, 3 electives, 2 years of work experience, submission of the ethics commitment and assessment, and the certifying examination. More information about the IACCP® may be obtained at <https://www.nrs-inc.com/education/investment-adviser-certified-compliance-professional/iaccp/>.

**Item 3:           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 each supervised person providing investment advice. No information is applicable to this Item for Ms. Clark.

**Item 4:           Other Business Activities**

Registered investment advisers are required to disclose all material facts regarding any outside business activity.

Ms. Clark has no other business activities.

**Item 5:           Additional Compensation**

Ms. Clark does not receive any economic benefit from any third-party other than clients for providing advisory services. Such economic benefits are conveyed through Heritage Financial, LLC.

**Item 6:           Supervision**

Ms. Clark is a principal of the firm and is supervised by David K. Morton, III, CEO. Additionally, all employees of HF are required to follow the supervisory guidelines and procedures manual which is designed to ensure compliance with securities laws in the states where HF is registered. David K. Morton, III may be contacted at (703) 754-1233.

Item 1: Cover Sheet

**FORM ADV PART 2B**  
**BROCHURE SUPPLEMENT**

**David J. O'Neill**



HERITAGE FINANCIAL, LLC  
7001 Heritage Village Plaza, Suite 190  
Gainesville, VA 20155

(703) 754-1233

**This Brochure Supplement provides information about David J. O'Neill that supplements the Heritage Financial, LLC Brochure. You should have received a copy of that Brochure. Please contact us at 703-754-1233 if you have any questions about the contents of this supplement. Registration does not imply any certain level of skill or training.**

**Additional information about David J. O'Neill is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching CRD# 6885315.**

**Item 2: Educational Background and Business Experience**

**David J. O'Neill**

**Born: 1967**

**EDUCATION:**

B.S. in Electrical Engineering, Rochester Institute of Technology, 1994

J.D., Georgetown University Law Center, 2000

**BUSINESS EXPERIENCE:**

Heritage Financial, LLC  
Wealth Advisor, 10/2018 - Present

Spire Investment Partners LLC  
Financial Advisor, 11/2017 – 08/2018

Verizon Communications, Inc.  
Assistant General Counsel, 11/2001 – 12/2015

**PROFESSIONAL DESIGNATIONS**

**Chartered Wealth Manager (“CWM®”)**

The Chartered Wealth Manager and CWM® (collectively, the “CWM® marks”) are professional certification marks granted in the United States by the Global Academy of Finance and Management, formerly known as the American Academy of Financial Management. The CWM® charter is a voluntary charter; no federal or state law or regulation requires financial planners to hold CWM® certification.

To earn the credential, each CWM® candidate must have two of the following: (a) an ABA, AACSB, ACBSP or EQUIS Accredited Financial, Investment, Accounting, Tax or Economics degree; (b) three years of professional experience; (c) a government recognized degree: licenses, degree, MBA/Masters or Law Degree, PhD, CPA, recognized designations and specialization work; (d) a related degree and exams from an AAFM-approved and accredited university program; or (e) completion of online Executive Certification Training Programs. Its education requirements include the submission of (a) AAFM Certification Application showing education from an AAFM-qualified education provider; (b) good faith evidence of application, enrollment and completion of degree and exams from accredited or government-sanctioned program; and (c) evidence of work experience and any diplomas, licenses, designations, certifications, government work/training, teaching work, research, or other awards. Exam types vary based on the educational requirements above.

CWM® charter holders must complete a minimum of 15 hours of continuing education per year. More information regarding the CWM® is available at <https://www.gafm.com/page/cwm>.

**Item 3:           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 each supervised person providing investment advice. No information is applicable to this Item for Mr. O'Neill.

**Item 4:           Other Business Activities**

Registered investment advisers are required to disclose all material facts regarding any outside business activity.

Mr. O'Neill is a trustee of St. Paul's Lutheran Church in Falls Church, Virginia. Mr. O'Neill is not compensated for his position and spends less than four hours a week and less than two hours per week during the market open performing his duties. In this position, Mr. O'Neill is responsible for executing all official acts of the church congregation in accordance with the laws of the Commonwealth of Virginia.

**Item 5:           Additional Compensation**

Mr. O'Neill does not receive any economic benefit from any third-party other than clients for providing advisory services. Such economic benefits are conveyed through Heritage Financial, LLC.

**Item 6:           Supervision**

Mr. O'Neill is supervised by the firm's Chief Compliance Officer, Elizabeth Clark. Additionally, all employees of HF are required to follow the supervisory guidelines and procedures manual which is designed to ensure compliance with securities laws in the states where HF is registered. Elizabeth Clark may be contacted at (703) 754-1233.

Item 1: Cover Sheet

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

**William P. DuBose, IV**



HERITAGE FINANCIAL, LLC  
6803 Whittier Ave., Suite 200  
McLean, VA 22101

(703) 754-1233

**This Brochure Supplement provides information about William P. DuBose, IV (“Bill DuBose”) that supplements the Heritage Financial, LLC Brochure. You should have received a copy of that Brochure. Please contact us at 703-754-1233 if you have any questions about the contents of this supplement. Registration does not imply any certain level of skill or training.**

**Additional information about William P. DuBose is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching CRD# 2968906.**



**Item 2: Educational Background and Business Experience**

**Bill DuBose**

**Born: 1958**

**EDUCATION:**

B.S. in Economic Biology, Clemson University, 1980

Masters of Agriculture in Natural Resources Development, Texas A&M University, 1988

**BUSINESS EXPERIENCE:**

Heritage Financial, LLC  
Wealth Advisor, 11/2019 - Present

LPL Financial, LLC  
Financial Advisor, 01/2007 – 11/2019

Massachusetts Mutual Life Insurance Co.  
Agent, 10/1997 – 01/2007

MML Investors Services, Inc.  
Registered Representative, 10/1997 – 01/2007

**PROFESSIONAL DESIGNATIONS**

**Certified Financial Planner™**

The Certified Financial Planner™ and CFP® (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP® Board”). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. The CFP® is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To earn the credential, each CFP® candidate must have a bachelor’s degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience. In addition, candidates must take the CFP® Certification examination and complete a CFP® -board registered program or hold an accepted designation, degree or license. Every two years, CFP® certificate holders must complete a minimum of 30 hours of continuing education along with 2 hours of ethics training. More information regarding the CFP® is available at <http://www.cfp.net/default.asp>.

**Item 3: 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 each supervised person providing investment advice. No information is applicable to this Item for Mr. DuBose.

**Item 4: Other Business Activities**

Registered investment advisers are required to disclose all material facts regarding any outside business activity.

Mr. DuBose is separately licensed as an independent insurance agent. As such, Mr. DuBose may conduct insurance product transactions for HF clients, in his capacity as a licensed insurance agent, and will receive customary commissions for these transactions in addition to any compensation received in his capacity as an employee of HF. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. Mr. DuBose therefore has an incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage HF or utilize Mr. DuBose to implement any insurance recommendations. HF attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with HF, or to determine not to purchase the insurance product at all. HF also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of HF, which requires that employees put the interests of clients ahead of their own.

**Item 5: Additional Compensation**

Mr. DuBose does not receive any economic benefit from any third-party other than clients for providing advisory services. Such economic benefits are conveyed through Heritage Financial, LLC.

**Item 6: Supervision**

Mr. DuBose is supervised by the firm's Chief Compliance Officer, Elizabeth Clark. Additionally, all employees of HF are required to follow the supervisory guidelines and procedures manual which is designed to ensure compliance with securities laws in the states where HF is registered. Elizabeth Clark may be contacted at (703) 754-1233.

Item 1: Cover Sheet

**FORM ADV PART 2B**  
**BROCHURE SUPPLEMENT**

**Jennifer L. Jones**



HERITAGE FINANCIAL, LLC  
7001 Heritage Village Plaza, Suite 190  
Gainesville, VA 20155

(703) 754-1233

**This Brochure Supplement provides information about Jennifer L. Jones that supplements the Heritage Financial, LLC Brochure. You should have received a copy of that Brochure. Please contact us at 703-754-1233 if you have any questions about the contents of this supplement. Registration does not imply any certain level of skill or training.**

**Additional information about Jennifer L. Jones is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching CRD# 2076678.**

**Item 2: Educational Background and Business Experience**

**Jennifer L. Jones**

**Born: 1965**

**EDUCATION:**

BA – Business/Marketing Education, Marshall University, 1987

**BUSINESS EXPERIENCE:**

Heritage Financial, LLC  
Paraplanner, 10/2020 - Present

Allstate Financial Services, LLC  
Personal Financial Representative, 03/2020 – 10/2020

Myrias Group of Ameriprise Financial  
Paraplanner, 11/2012 – 01/2020

PNC Investments  
Financial Consultant Associate, 10/2009 – 10/2012

**PROFESSIONAL DESIGNATIONS**

**FPQP™ - Financial Planning Qualified Paraplanner**

Individuals who hold the FPQP™ designation have completed a course of study encompassing the financial planning process, the five disciplines of financial planning and general financial planning concepts, terminology, and product categories. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

All designees have agreed to adhere to [Standards of Professional Conduct](#) and are subject to a disciplinary process.

Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.

**Item 3: 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 each supervised person providing investment advice. No information is applicable to this Item for Ms. Jones.

**Item 4: Other Business Activities**

Registered investment advisers are required to disclose all material facts regarding any outside business activity.

Ms. Jones is separately licensed as an independent insurance agent. As such, Ms. Jones may conduct insurance product transactions for HF clients, in her capacity as a licensed insurance agent, and will receive customary commissions for these transactions in addition to any compensation received in her capacity as an employee of HF. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. Ms. Jones therefore has an incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage HF or utilize Ms. Jones to implement any insurance recommendations. HF attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with HF, or to determine not to purchase the insurance product at all. HF also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of HF, which requires that employees put the interests of clients ahead of their own.

Ms. Jones is co-owner of Eyring Farms, a small family-owned business raising beef cattle, chickens, and seasonal vegetables and flowers. Eyring Farms participates in local farmer's markets in addition to fulfilling orders that are received via email or telephone call. Ms. Jones actively manages the maintenance of all gardens and care of the chickens. Ms. Jones is responsible for all business filings and financial records as well as maintenance of all insurance policies associated with the farm.

**Item 5: Additional Compensation**

Ms. Jones does not receive any economic benefit from any third-party other than clients for providing advisory services. Such economic benefits are conveyed through Heritage Financial, LLC.

**Item 6: Supervision**

Ms. Jones is supervised by the firm's Chief Compliance Officer, Elizabeth Clark. Additionally, all employees of HF are required to follow the supervisory guidelines and procedures manual which is designed to ensure compliance with securities laws in the states where HF is registered. Elizabeth Clark may be contacted at (703) 754-1233.

Item 1: Cover Sheet

**FORM ADV PART 2B**  
**BROCHURE SUPPLEMENT**

**Aaron W. Clarke**



HERITAGE FINANCIAL, LLC  
7001 Heritage Village Plaza, Suite 190  
Gainesville, VA 20155

(703) 754-1233

**This Brochure Supplement provides information about Aaron W. Clarke that supplements the Heritage Financial, LLC Brochure. You should have received a copy of that Brochure. Please contact us at 703-754-1233 if you have any questions about the contents of this supplement. Registration does not imply any certain level of skill or training.**

**Additional information about Aaron W. Clarke is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching CRD# 6358237.**

**Item 2: Educational Background and Business Experience**

**Aaron W. Clarke**

**Born: 1992**

**EDUCATION:**

Bachelor of Science: Applied Economic Management

Concentration: Financial Planning

Virginia Tech, 2014

**BUSINESS EXPERIENCE:**

Heritage Financial, LLC

Wealth Advisor, 10/2022 - Present

Virtual Business Virtuosos

Owner, 05/2022 - Present

Origin Financial

Financial Planner, 06/2022 - 09/2022

Halpern Financial, Inc.

Wealth Advisor, 10/2018 – 05/2022

Acorn Financial Advisory Services, Inc.

Financial Planner, 02/2016 – 10/2018

The Strategic Financial Alliance, Inc.

Registered Representative, 12/2015 - 10/2018

Acorn Financial Services, Inc.

Associate, 10/2015 - 10/2018

The Strategic Financial Alliance, Inc.

Access Person, 10/2015 - 12/2015

Advisors Financial, Inc

Paraplanner, 06/2014 – 10/2015

## **PROFESSIONAL DESIGNATIONS**

### **CFP® – CERTIFIED FINANCIAL PLANNER™**

The CERTIFIED FINANCIAL PLANNER™ and CFP® (collectively, the “CFP® marks”) are professional certification marks granted in the United States by CERTIFIED FINANCIAL PLANNER Board of Standards, Inc. (“CFP® Board”). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. The CFP® is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. To earn the credential, each CFP® candidate must have a bachelor’s degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience. In addition, candidates must take the CFP® Certification examination and complete a CFP® -board registered program or hold an accepted designation, degree or license. Every two years, CFP® certificate holders must complete a minimum of 30 hours of continuing education along with 2 hours of ethics training. More information regarding the CFP® is available at <http://www.cfp.net/default.asp>.

### **AIF® - Accredited Investment Fiduciary®**

Accredited Investment Fiduciary® (AIF®) Designees can demonstrate that they have met educational, competence, conduct and ethical standards to carry out a fiduciary standard of care and serve the best interests of their clients. The Accredited Investment Fiduciary® (AIF®) Designation is a professional certification that demonstrates an advisor or other person serving as an investment fiduciary has met certain requirements to earn and maintain the credential. The purpose of the AIF® Designation is to assure that those responsible for managing or advising on investor assets have a fundamental understanding of the principles of fiduciary duty, the standards of conduct for acting as a fiduciary, and a process for carrying out fiduciary responsibility. Fi360 is accredited by the American National Standards Institute (ANSI) for the AIF® Designation, making the designation part of an elite group of accredited designations recognized by FINRA.

All designees have agreed to adhere to [Standards of Professional Conduct](#) and are subject to a disciplinary process.

Designees renew their designation every 12 months by completing 6 specifically designed hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements and client ethics.

### **Item 3:           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 each supervised person providing investment advice. No information is applicable to this Item for Mr. Clarke.



**Item 4: Other Business Activities**

Registered investment advisers are required to disclose all material facts regarding any investment related outside business activity.

Mr. Clarke is the owner of Virtual Business Virtuosos, LLC, actively doing business as Gig Wealthy. As such, Mr. Clarke will from time to time suggest certain finance education products for HF clients, their colleagues, or family members. In his capacity as owner, he will generally receive customary compensation for his work for Gig Wealthy. Compensation from any revenue or sales generated through Gig Wealthy will not be used to offset or as a credit against advisory fees at HF. Mr. Clarke therefore has an incentive to recommend educational products based on the compensation to be received, rather than on an individual's needs. Mr. Clarke is responsible for all business filings and financial records associated with Gig Wealthy. The receipt of any additional compensation is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage HF or utilize Gig Wealthy. HF attempts to mitigate this conflict of interest by disclosing the conflict to clients and informing the clients that they are always free to source educational information, products, courses, or any other services or products through other reputable sources that are not affiliated with HF and Gig Wealthy, or to determine not to engage Gig Wealthy. HF also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of HF, which requires that employees put the interests of clients ahead of their own.

Mr. Clarke is a volunteer board member and member of the executive council for the Financial Planning Association of the National Capital Area (FPA of NCA). In his capacity as a volunteer board member, he does not receive any compensation for his efforts for FPA of NCA. From time to time his travel expenses will be paid for representing the organization, speaking, and hosting events and engagement. FPA of NCA does not provide any financial planning or investment services, and is a professional organization with only one paid employee, the Executive Director. Mr. Clarke is not the Executive Director of FPA of NCA. HF attempts to mitigate this conflict of interest by disclosing the conflict to clients and informing the clients that they are always free to support any non-profit organization they desire. HF also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of HF, which requires that employees put the interests of clients ahead of their own.

**Item 5: Additional Compensation**

Mr. Clarke does not receive any economic benefit from any third-party other than clients for providing advisory services. Such economic benefits are conveyed through Heritage Financial, LLC.

**Item 6: Supervision**

Mr. Clarke is supervised by the firm's Chief Compliance Officer, Elizabeth Clark. Additionally, all employees of HF are required to follow the supervisory guidelines and procedures manual which is designed to ensure compliance with securities laws in the states where HF is registered. Elizabeth Clark may be contacted at (703) 754-1233.

## **HERITAGE FINANCIAL, LLC**

### **Privacy Notice**

This notice is being provided to clients in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard client's nonpublic personal information.

#### **INFORMATION WE COLLECT**

HERITAGE FINANCIAL, LLC ("HF") must collect certain personally identifiable financial information about its clients to ensure that it offers the highest quality financial services and products. The personally identifiable financial information which HF gathers during the normal course of doing business with a client may include:

1. information HF receives from clients on applications or other forms;
2. information about client transactions with HF, our affiliates, or others;
3. information collected through an Internet "cookie" (an information collecting device from a web server); and
4. information HF receives from a consumer reporting agency.

#### **INFORMATION WE DISCLOSE**

HF does not disclose any nonpublic personal information about clients or former clients to anyone, except as permitted by law. HF does not disclose client personal information to any third-party for the purpose of allowing that party to market other products to clients. In accordance with Section 248.13 of Regulation S-P, HF may disclose all of the information HF collects, as described above, to certain nonaffiliated third parties such as attorneys, accountants, auditors and persons or entities that are assessing HF's compliance with industry standards. HF enters into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which HF discloses the information.

#### **CONFIDENTIALITY AND SECURITY**

HF restricts access to nonpublic personal information about clients to those employees who need to know that information to provide financial products or services to each client. HF maintains physical, electronic, and procedural safeguards that comply with federal standards to guard client nonpublic personal information.