

Item 1 – Cover Page

## ROYAL OAK FINANCIAL ADVISORS, LLC

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FORM ADV PART 2A  
FIRM BROCHURE  
MARCH 20, 2024

This brochure provides information about the qualifications and business practices of Royal Oak Financial Advisors, LLC. If you have any question about the contents of this brochure, please contact us at (248) 709-6134. 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.

Royal Oak Financial Advisors, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Royal Oak Financial Advisors, LLC is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Royal Oak Financial Advisors, LLC. CRD number is 290152.

## Item 2 - Material Changes

We have the following material changes to report since our firm's last annual update on March 1, 2023:

- Item 12 & 14 – As a result of its merger with TD Ameritrade, Inc. we recommend Charles Schwab & Co, Inc. as the custodian that holds your assets.

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## Item 4 – Advisory Business

### OWNERSHIP/ADVISORY HISTORY

Royal Oak Financial Advisors, LLC (“We”) was founded in November 2017 by Robert Mulcahy, Paul Erickson and James Westwood. We are a Michigan limited liability Company and registered as an investment adviser in November 2017. We were subsequently registered with the Securities and Exchange Commission in October 2018. Additional information about Mr. Mulcahy, Mr. Erickson and Mr. Westwood can be found under Item 19 along with their attached brochure supplements.

### ADVISORY SERVICES OFFERED

#### INVESTMENT ADVISORY SERVICES

We offer fee-based investment advisory services that include managing a client’s portfolio, as well as the option of creating a written financial plan. When we engage a client, we start our relationship by evaluating his or her financial situation, goals and risk tolerance. Through a series of personal interviews and/or the use of questionnaires we will collect pertinent data, identify goals, objectives, financial problems, and potential solutions. With this information, we tailor the client’s financial plan and advice we give to the client. Our advice may cover any of the following topics: retirement planning; college education planning for children; estate planning; 401k review; social security planning; tax planning; or other needs as identified during our meetings with the client. When stated in the financial planning agreement, the client will receive a written financial plan.

Our portfolio management services involve assisting with the ongoing management of a client’s investment accounts. We work with the client to determine their portfolio based upon the information we gathered during the financial planning process. Once we have this information, we place the client into one of our model portfolios. We regularly monitor the client’s portfolio and adjust it as determined by the stock market and world events.

#### FINANCIAL PLANNING AND RETIREMENT PLAN MONITORING

We also offer clients financial planning and retirement plan monitoring services. With these services, we provide a written financial plan based on their financial situation, goals and risk tolerance. Through a series of personal interviews and/or the use of questionnaires we will collect pertinent data, identify goals, objectives, financial problems, potential solutions, and prepare specific recommendations. Our advice may be provided on financial and cash management, risk management, estate planning, tax issues, retirement planning, educational funding, goal setting, or other needs as identified by us and the client.

As part of the service, we also monitor the client’s employer sponsored retirement plan (the “Plan”) on an ongoing basis. At the beginning of the relationship, we meet with the client to review the client’s financial situation and investment goals. We also review the Plan’s available investment options and make an asset allocation recommendation to the client.

### RETIREMENT PLAN CONSULTING

For retirement plan accounts, we provide any of the following ERISA non-fiduciary services: Education Services to Plan Committee; Participant Education Services; Plan Search Support; Review of Fiduciary Liability Insurance Coverage; Monitoring of Qualified Fiduciary; or Participant Advice. Please note that we do not provide ERISA Section 3(21) or 3(38) fiduciary services.

### TAILORED SERVICES

The goals and objectives for each client are documented before any investing takes place. Clients may impose restrictions on investing in certain securities or types of securities.

### WRAP PROGRAM

We do not sponsor a wrap program.

### CLIENT ASSETS MANAGED

As of January 29, 2024, we manage \$250,000,000 in client assets on a discretionary basis.

## Item 5 – Fees and Compensation

For both Portfolio Management and Retirement Plan Consulting, we charge a management fee based on a percentage of assets under management in the client's account. The annual management fee is based on the following schedule:

Account Value	Annual Management Fee
\$0 – \$1,000,000	Up to 2.00%
\$1,000,000 +	Up to 1.25%

Our management fee is billed quarterly, in advance, meaning that we collect the management fee at the beginning of the quarters billing period. The management fee will be based on the custodian report account value as of the last business day of the prior quarter. The management fee is negotiable. Cash balances and investments in money market funds are counted toward the account value and are included in the management fee calculations. The client will be asked to authorize us with the ability to deduct our management fee directly from the account.

Our management fee does not include brokerage commissions, transaction fees, or other related costs and expenses that are normally incurred by the client. Clients may incur certain charges imposed by custodians, or ETF and mutual fund managers. Clients may also have to pay wire transfer and electronic fund fees when wiring money to their bank accounts. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to, our fee and we will not receive any portion of these commissions, fees, and costs. For more information about our brokerage practice please see Item 12.A.

A client may terminate any service for any reason at any time without any cost or penalty. Upon notice of termination, the client will receive a prorated refund based on the amount of time services were rendered during the termination period. For example, if there were 90 days in a month and the service was cancelled 45 days into the month, the client will receive a 50% refund (45 divided by 90 equals 50%). Refunds are paid by depositing the unearned fee back into the

client's custodial account. If the account has already been closed, then refunds are paid by check.

#### FINANCIAL PLANNING AND RETIREMENT PLAN MONITORING

For our financial planning and retirement plan monitor services, we charge a quarterly fee between \$50 to \$200. The total monthly fee depends on the nature and complexity of each client's individual circumstances, and it is agreed to at the time of engagement. The fee is charged at the beginning of each quarter, in advance. The client will be asked to authorize us with the ability to withdraw the fee directly from an account we manage, or the client may choose to be billed by invoice for the service. The invoice may be mailed or emailed as chosen by the client in the advisory contract and due within 15 days of receipt. Finally, the client will have the option to pay by credit card.

A client may terminate this service for any reason at any time without any cost or penalty. Upon written notice of termination, the client will receive a prorated refund of any unearned fees based on the percentage of work completed on the Plan.

#### OTHER SECURITIES COMPENSATION

We have no other securities compensation to report.

#### RETIREMENT ROLLOVER CONFLICTS OF INTEREST

When we recommend you rollover a retirement account for us to manage, this creates a financial incentive because we charge a fee for our services. We attempt to mitigate the conflict of interest by acting in your best interest and applying an impartial conduct standard to all rollovers. Please note that you are not under any obligation to roll over a retirement account to an account managed by us.

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

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or provide side by side management.

### **Item 7 – Types of Clients**

We offer our services to individuals, high net worth individuals, and pension and profit-sharing plans. We do not require a minimum account size.

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

#### METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

We use asset allocation as our investment strategy for client portfolios. When deciding on the asset allocation for a client, we take into account the client's risk tolerance, goals, investment objectives and other data gathered during the client meetings. Asset Allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon among various asset classes. The risk associated with asset allocation is that each class has different levels of risk and

return, so each will behave differently over time. Also, despite being diversified, there is no guarantee that an account will grow.

We purchase securities with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. The risk associated with using a long-term purchase strategy is that it generally assumes the financial markets will go up in the long-term, which may not be the case. There is also the risk that the segment of the market that the client is invested in or perhaps just that client's particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments

#### INVESTMENT RISKS

All investment programs have certain risks that are borne by the client and **investing in securities involves risk of loss that clients should be prepared to bear**. The client should feel free to ask questions about risks he or she does not understand. We would be pleased to discuss them.

#### RECOMMENDED SECURITIES

Several types of securities are used in client portfolios including, but not limited to, mutual funds, exchange traded funds, stocks, bonds, and options covered calls. Some of the risk associated with these securities include:

- **Covered Calls Risk:** Covered call writers holds the stock and simultaneously sells call options against his position to try to earn income without taking on additional risk. A covered call strategy has limited maximum loss of the premium received subtracted from the stock purchase price.
- **Credit risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of an investment and/or the future purchasing power of a client's assets.
- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates.
- **International investing risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social, or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.
- **Manager risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

## Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. These include the following:

- A. A criminal or civil action in a domestic, foreign, or military court of competent jurisdiction in which the *firm* or *supervised person*
  1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any *felony*; (b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
  2. is the named subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  3. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation; or
  4. was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the *supervised person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*.

We have no information applicable to this item.

- B. An administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority* in which the *firm* or *supervised person*
  1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or
  2. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation and was the subject of an *order* by the agency or authority
    - i. denying, suspending, or revoking the authorization of the *supervised person* to act in an *investment-related* business;
    - ii. barring or suspending the *supervised person's* association with an *investment-related* business;
    - iii. otherwise significantly limiting the *supervised person's investment-related* activities; or



- iv. imposing a civil money penalty of more than \$2,500 on the *supervised person*.

We have no information applicable to this item.

C. *A self-regulatory organization (SRO) proceeding in which the firm or supervised person*

1. *was found to have caused an investment-related business to lose its authorization to do business; or*
2. *was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.*

We have no information applicable to this item.

## Item 10 – Other Financial Industry Activities and Affiliations

### BROKER DEALER AFFILIATION

We are not registered as or have pending applications to become a broker-dealer or representatives of a broker-dealer.

### FUTURES/COMMODITIES FIRM AFFILIATION

We are not affiliated with a futures or commodities broker.

### OTHER INDUSTRY AFFILIATIONS

Our owners and associates are independent insurance agents, and they may recommend this service to our clients. This other business activity pays them commissions that are separate from the fees described in Item 5 above. This is a conflict of interest because the commissions give our associates a financial incentive to recommend and sell clients the insurance products. However, they attempt to mitigate any conflicts of interest to the best of their ability through their fiduciary duty and by informing clients that they are never obligated to purchase any recommended insurance products through them.

Our owners and associates may be dually registered investment adviser representatives of Alpha Asset Advisors, LLC. Through Alpha Asset Advisors, LLC, they may offer other investment advisory services to the firm's clients for a fee. This causes a conflict of interest because the fees are separate from the fees outlined in Item 5, above. However, they attempt to mitigate this conflict of interest to the best of their ability by placing the client's interest ahead of their own, through their fiduciary duty and by informing clients that they are never obligated to purchase any recommended advisory services through them.

### RECOMMENDATION OF THIRD-PARTY INVESTMENT ADVISER

We do not recommend the services of third-party investment advisers.

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

### DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons, and it describes our high standard of business conduct and fiduciary duty to our clients. The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons must acknowledge the terms of the Code of Ethics annually or as amended.

### MATERIAL INTEREST IN SECURITIES

We do not have a material interest in any securities.

### INVESTING IN OR RECOMMENDING THE SAME SECURITIES

Our owners and associates engage in personal securities transactions. These transactions create a potential conflict of interest if they were to trade in advance in a security that is owned by the client or considered for purchase or sale on the client's behalf. We have adopted policies and procedures that are reasonably designed to effect transactions for the client in a manner consistent with the fiduciary duty owed to each client. When we buy and sell the same securities bought or sold for a client, we may do so only if they comply with the firm's written policies and procedures.

## Item 12 – Brokerage Practices

### RECOMMENDATION CRITERIA

We custody our client's assets through Charles Schwab & Co., Inc. ("Schwab"), an unaffiliated SEC-registered broker-dealer and FINRA member. Schwab offers independent investment advisory services that include custody of securities, trade execution, clearance and settlement of transactions.

Some of the primary considerations we consider when recommending a custodian and broker are: rates charged by other brokers that provide clearing or custody service for registered investment advisers; reputation and financial strength; breadth and depth of available products, with an important factor being the broker's no-transaction-fee mutual fund universe; accuracy with which transaction are processed; customer service responsiveness; availability of technology solutions interoperable with our systems and suitable for managing multiple accounts; as well as client satisfaction. We periodically evaluate the forgoing factors, and while we may conclude based on our review that commission rates paid by clients are reasonable, lower commissions may be available from other brokers or in conjunction with retail (non-

advisory) accounts, and certain mutual funds that carry a transaction fee may be available on a no-transaction-fee basis from other brokers or directly from the fund company.

#### RESEARCH AND SOFT DOLLARS

“Soft dollars” are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. We do not receive any soft dollars.

#### BROKERAGE FOR CLIENT REFERRALS

We do not receive client referrals or any other incentive from any broker-dealer or custodian.

#### TRADE AGGREGATION

We do not aggregate trades in client accounts.

### Item 13 – Review of Accounts

#### PERIODIC REVIEWS

Our owners and associates will review client’s portfolio models at least twice a year. They will also attempt to meet with each client annually either in person or by telephone.

For ongoing financial planning and retirement plan monitoring, our owners and associates will conduct an annual review of the client’s written financial plan and retirement plans. If necessary, we will provide rebalance recommendations for retirement plans and update the client’s written financial plan.

#### OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client’s financial situation (such as retirement, termination of employment, physical move or inheritance).

#### REPORTS

Clients receive monthly statements from their account’s custodian. We urge clients to carefully review each statement. Ongoing Retirement Planning clients receive a written plan.

### Item 14 – Client Referrals and Other Compensation

#### OTHER COMPENSATION

We may receive non-economic benefits from Schwab in the form of support products and services they make available to us and other independent advisers whose clients maintain their accounts at Schwab. The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for the client.

#### CLIENT REFERRALS

We do not pay for client referrals or use solicitors.

## Item 15 – Custody

Client assets are held at an unaffiliated, qualified custodian, such as a bank, broker/dealer (e.g. Charles Schwab), mutual fund company or transfer agent. Generally, we do not maintain custody of client assets or accounts. However, one of our owners is the trustee on a client's account, which means the firm has custody of this account. The client's custodian will send a monthly statement to the client showing all additions and distributions in the client's account, including the withdrawal of the management fee. We urge clients to carefully review such statements.

## Item 16 – Investment Discretion

We offer discretionary investment management services. To grant us discretionary power over an account, the client must sign the investment management agreement. Our investment management agreement contains a limited power of attorney that allows us to select the security, the amount, and the time of the purchase or sale in the client's account. It also allows us to place each such trade without the client's prior approval. In addition to our investment management agreement, the client's custodian may request the client to sign the custodian's limited power of attorney. This varies with each custodian. We discuss all limited powers of attorney with the client prior to their execution. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the client account, and any other investment policies, limitation or restrictions.

## Item 17 – Voting Client Securities

We do not vote proxy votes for any client. In the event the client has a question about a proxy solicitation, the client should feel free to contact us.

## Item 18 – Financial Information

### BALANCE SHEET

We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to provide a balance sheet.

### FINANCIAL CONDITION

We are required in this Item to provide you with certain financial information or disclosures about our financial condition if we have a financial commitment that impairs our ability to service you. We do not have a financial commitment that impairs our ability to service our clients.

### BANKRUPTCY

We have not been the subject of a bankruptcy proceeding.