



ADVISORY GROUP

HF Advisory Group, LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of HF Advisory Group, LLC. If you have any questions about the contents of this brochure, please contact us at (410) 571-1415 or by email at: Service@hfadvisorygroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about HF Advisory Group, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. HF Advisory Group, LLC's CRD number is: 309051.

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Registration as an investment adviser does not imply a certain level of skill or training.

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Item 2: Material Changes

There are the following material changes in this brochure from the last annual updating amendment of HF Advisory Group, LLC on January 24, 2023, are described below. Material changes relate to HF Advisory Group, LLC's policies, practices or conflicts of interest.

The firm updated Item 17 to reflect that it does not accept proxy voting authority.

The firm updated Item 5C to include language indicating supervised persons receive commissions as insurance agents which creates a conflict of interest. This language is consistent with disclosure already provided in Item 10C.

The firm updated Items 12 & 14 to add the custodian, Charles Schwab.

The firm updated Items 12 & 14 to reflect that TD Ameritrade is no longer a recommended custodian.

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Item 4: Advisory Business

A. Description of the Advisory Firm

HF Advisory Group, LLC (hereinafter “HFA Group”) is a corporation organized in the State of Maryland. The firm was formed in January 2009, became registered as an investment advisor in 2020, and the principal owner is Raymond L Hobson.

B. Types of Advisory Services

Portfolio Management Services

HFA Group offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. HFA Group creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

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

HFA Group evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. HFA Group will require discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. HFA utilizes Riskalyze, a software which is used to calculate a client’s risk tolerance.

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

Financial Planning

Financial plans and financial planning may include but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser. This statement is required by California Code of Regulations, 10 CCR Section 260.235.2.

Services Limited to Specific Types of Investments

HFA Group generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, non-U.S. securities, venture capital funds and private placements. HFA Group may use other securities as well to help diversify a portfolio when applicable.

Written Acknowledgement of Fiduciary Status

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

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

C. Client Tailored Services and Client Imposed Restrictions

HFA Group offers the same suite of services to all of its clients. HFA utilizes redtail to document the Income & Tax levels. HFA utilizes Riskalyze for risk tolerance. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent HFA Group from properly servicing the client account, or if the restrictions would require HFA Group to deviate from its standard suite of services, HFA Group reserves the right to end the relationship.

D. Wrap Fee Programs

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

E. Assets Under Management

HFA Group has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$189,119,492.00	\$0	December 2023

Item 5: Fees and Compensation

A. Fee Schedule

Lower fees for comparable services may be available from other sources.

Portfolio Management Fees

The firm charges fees ranging from 0.5% to 1.75% for its portfolio management services. The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period. Fees are subsequently adjusted at the end of any calendar quarter to reflect all additions to, or withdrawals from, the account. Any such adjustments will be made on a pro rata basis during the calendar quarter for which the adjustment is made.

These fees are negotiable, and the final fee rate will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of HFA Group's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

Financial Planning Fees

Fixed Fees

The negotiated fixed rate for creating client financial plans is between \$500 and \$5,000.

The fixed fee is based upon the complexity of the plan, the hourly rate, the estimated amount of time to be used for creating a financial plan. Fixed fees relate to financial plans and financial planning that may include, without limitation: investment planning; life

insurance; tax concerns; retirement planning; college planning; and debt/credit planning, each service as further detailed above.

Hourly Fees

The negotiated hourly fee for these services is between \$250 - \$650.

It is anticipated that each financial planning service listed above will take approximately 2-4 hours of financial planning and therefore the time to complete a financial plan will depend on the services required by the client. For example, the financial plan for a client requiring only investment planning, retirement, and life insurance planning will usually require 6-12 hours.

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

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

For fees deducted directly from client accounts HFA Group will use the safeguards below:

1. HFA Group will have written authorization from the client to deduct advisory fees from the account held with a qualified custodian.
2. The custodian will send statements, at least quarterly, to the client showing all disbursements for the custodian account, including the amount of the advisory fees.

Payment of Financial Planning Fees

Financial planning fees are paid via check and wire.

Fixed financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

Hourly financial planning fees are paid 10% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

C. Client Responsibility for Third Party Fees

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

D. Prepayment of Fees

HFA Group collects fees in advance. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

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

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

E. Outside Compensation for the Sale of Securities to Clients

HFA Group does not receive any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds. As described in Item 10, its supervised persons are licensed insurance agents and receive commissions on the sale of insurance products. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of insurance products for which the supervised persons receives compensation, HFA will document the conflict of interest in the client file and inform the client of the conflict of interest. Clients always have the right to decide whether to purchase recommended products and, if purchasing, have the right to purchase those products through other insurance agents that are not affiliated with HFA.

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

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

Item 7: Types of Clients

HFA Group generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Corporations or Business Entities

There is no account minimum for any of HFA Group's services.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

HFA Group's methods of analysis include Modern portfolio theory.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Investment Strategies

HFA Group uses long term trading, short term trading, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

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

B. Material Risks Involved

Methods of Analysis

Modern portfolio theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio

exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Investment Strategies

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

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

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

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

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

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

C. Risks of Specific Securities Utilized

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

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and

other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF's shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option

transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

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

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

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

Neither HFA Group nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

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

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

Supervised persons of HFA Group are independent licensed insurance agents. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. HFA Group always acts in the best interest of the client, including the sale of commissionable products to advisory clients. Clients are in no way required to use the services of any representative of HFA Group in connection with such individual's activities outside of HFA Group.

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

HFA Group does not use nor select third-party investment advisers.

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

A. Code of Ethics

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

B. Recommendations Involving Material Financial Interests

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

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of HFA Group may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of HFA Group to buy or sell the same securities before or after recommending the same

securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. HFA Group will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold. The CCO will determine if the conflict can be appropriately mitigated by disclosure or other means. The CCO will review all conflicts of interest and document each conflict and its resolution to be made in the clients' best interest.

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

From time to time, representatives of HFA Group may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of HFA Group to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, HFA Group will never engage in trading that operates to the client's disadvantage if representatives of HFA Group buy or sell securities at or around the same time as clients. The CCO will determine if the conflict can be appropriately mitigated by disclosure or other means. The CCO will review all conflicts of interest and document each conflict and its resolution to be made in the clients best interest.

Item 12: Brokerage Practices

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

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

HFA Group will require clients to use Charles Schwab & Co., Inc. Advisor Services.

HFA Group will have an incentive to recommend a broker-dealer based on its interest in receiving the research or other products or services rather than on clients' interest in receiving most favorable execution.

1. Research and Other Soft-Dollar Benefits

HFA Group does not receive products or services other than execution (“soft dollar benefits”) from a broker-dealer or third-party for generating commissions.

2. Brokerage for Client Referrals

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

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

HFA Group will require clients to use specific broker-dealer(s) to execute transactions and it is HFA Group’s policy that all clients must utilize a broker-dealer approved by HFA Group. Not all advisers require their clients to direct brokerage. HFA Group will require clients to use Charles Schwab & Co., Inc. Advisor Services.

B. Aggregating (Block) Trading for Multiple Client Accounts

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

Item 13: Review of Accounts

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

All client accounts for HFA Group's advisory services provided on an ongoing basis are reviewed at least quarterly by Raymond L Hobson, Managing Member & Chief Compliance Officer, with regard to clients’ respective investment policies and risk tolerance levels. All accounts at HFA Group are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Raymond L Hobson, Managing Member & Chief Compliance Officer. Financial planning clients are provided with a one-time financial plan concerning their

financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Clients may request additional plans or reports for a fee. The description of the plan and fee for each financial plan is described in item 4 and item 5 above.

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

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

With respect to financial plans, HFA Group's services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of HFA Group's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. HFA Group will also provide at least quarterly a separate written statement to the client itemizing the fee including the formula used to calculate the fee, the amount of assets under management upon which the fee is based, and the period covered by the fee. HFA Group will also provide at least quarterly a separate written statement to the client detailing the client's account, including assets held, asset value, and calculation of fees.

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

Item 14: Client Referrals and Other Compensation

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

HFA Group does not receive any economic benefit, directly or indirectly from any third party for advice rendered to HFA Group clients.

Charles Schwab & Co., Inc. Advisor Services provides HFA with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are

related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For HFA client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to HFA other products and services that benefit HFA but may not benefit its clients' accounts. These benefits may include national, regional or HFA specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of HFA by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist HFA in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of HFA's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of HFA's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to HFA other services intended to help HFA manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to HFA by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to HFA. HFA is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

B. Compensation to Non - Advisory Personnel for Client Referrals

Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. HFA Group will ensure each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions.

Item 15: Custody

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

Custody is also disclosed in Form ADV because HFA has authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, HFA will follow the safeguards specified by the SEC rather than undergo an annual audit.

Item 16: Investment Discretion

HFA Group provides discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, HFA Group generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent HFA Group from properly servicing the client account, or if the restrictions would require HFA Group to deviate from its standard suite of services, HFA Group reserves the right to end the relationship. HFA Group will also have discretionary authority to determine the broker or dealer to be used for a purchase or sale of securities for a client's account.

Item 17: Voting Client Securities (Proxy Voting)

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

Item 18: Financial Information

A. Balance Sheet

HFA Group neither requires nor solicits prepayment of more than \$1200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

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

C. Bankruptcy Petitions in Previous Ten Years

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