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Firm Brochure

(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of Clark Financial Services Group, Inc. If you have any questions about the contents of this brochure, please contact us at (314) 469-5000 or [moreinfo@clarkfin.com](mailto:moreinfo@clarkfin.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Clark Financial Services Group, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration as an investment adviser does not imply a certain level of skill or training.

March 30, 2016

## Material Changes

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### Annual Update

No material changes since ADV Part 2A dated March 1, 2016.

#### **Changes published March 1, 2016:**

- R. B. Clark, III is retiring from Clark Financial Services Group, effective March 1, 2016. The ownership of Clark Financial Services Group, Inc. is now shared equally by Christopher W. Schulenburg and Kevin A. Clark
- Clark Financial and its principals will no longer be compensated for financial planning services via 12b-1 fees. The Advisory fee will serve as compensation for asset allocation and ancillary financial planning services. Any 12b-1 fees received by firm principals will be in addition to the advisory fee. The firm reserves the right to charge hourly on a case-by-case basis. In the event of an hourly fee arrangement, the client will sign an engagement letter detailing the scope of the hourly fee and the services to be provided for the fee. The firm will review with the client the terms of the agreement and help select the most favorable terms for the client.
- Clark Financial is no longer using C-share or Service Class share funds for its clients. All eligible shares have been transferred to load-waived A-shares and/or Investor class shares. Clark Financial will periodically monitor the availability of the lowest cost shares and transfer into those shares when possible.

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## Advisory Business

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### Firm Description

Clark Financial Services Group, Inc. (“Clark Financial,” “we,” or “our”) was organized in April 1992. Clark Financial offers financial planning and investment supervisory services, including furnishing advice to clients on matters not involving securities.

Typically, our investment strategies primarily involve investing client assets in a portfolio of mutual funds. However, we also recommend investments in individual equities (common and preferred stock), exchange traded funds, and variable life insurance and variable annuities. If requested by a client, and as part of our financial planning services, we also review and provide investment advice with respect to employer stock options, debt securities, and other client investments.

We may recommend other professionals (*e.g.*, lawyers, accountants, insurance agents, real estate agents, etc.) at the request of the client. Other professionals are engaged directly by the client on an as-needed basis even when recommended by Clark Financial. Conflicts of interest will be disclosed to the client and managed in the best interest of the client. No fees or commissions are shared in these arrangements.

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### Principal Owners

Roscoe Bowman Clark, III retired and resigned as Chairman of the Board. His shares were acquired by Christopher W. Schulenburg and Kevin A. Clark. Christopher W. Schulenburg serves as President and owns 50% of Clark Financial. Kevin A. Clark serves as Senior Vice President and Chief Compliance Officer and owns the other 50% of Clark Financial.

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### Advisory Services

#### Creation of the Initial Financial Plan

Our advisory services typically begin with a financial plan tailored to the needs and objectives of the individual client. A client who chooses to waive financial planning services will not receive a reduced fee. While each client’s situation is unique, we typically use the following six-step process in developing a client’s initial financial plan:

- ***Identify goals and needs.*** At the outset, one of our financial advisors will meet with the client to discuss the client’s goals and needs.

- ***Gather financial information.*** The financial advisor will gather client financial information, such as bank and brokerage statements, insurance policies, tax returns, retirement plans, and estate documents.
- ***Analyze financial information.*** We analyze this information to understand the client's financial situation and to determine how to meet the client's goals and needs.
- ***Develop a written financial plan.*** The financial advisor develops a written financial plan that makes recommendations designed to meet the client's objectives and needs. Before the financial plan is presented to the client, all of our financial advisors meet at least once to review and revise the financial plan.
- ***Presentation of financial plan.*** The financial advisor will meet with the client to present and discuss the financial plan. If required, the financial advisor makes additional revisions to the financial plan based on this meeting to ensure that the plan is consistent with the client's goals and expectations.
- ***Implementation of the financial plan.*** The financial advisor implements the investment recommendations contained in the client's financial plan and assists the client in taking the other actions recommended in the financial plan.

#### *Financial Planning Areas*

Depending on the needs and objectives of the client, and the complexity of the client's financial situation, our financial planning services will typically include one or more of the following areas:

- ***Cash flow and tax analysis.*** We analyze a client's current and projected future income, expenses, income taxes, and debt. This may include tax planning and coordination with outside tax professionals. We then recommend steps for the client to take to help optimize the client's resources available to meet his or her financial goals. This may include debt management strategies, assisting in major purchase decisions, cash reserve techniques, and family budgeting.
- ***Investment planning.*** This includes analyzing client investments and recommending steps to assist the client in optimizing the performance of his or her investments to reach future financial goals.
- ***Retirement planning.*** We use financial models to project cash flow needs and income available for a client's retirement, evaluate the client's retirement plan pay-out options, and analyze the potential impact of

inflation. This may include assisting the client in determining whether (or to what extent) to participate in any employer-sponsored benefit plan. We may also make recommendations as to what types of other tax-advantaged retirement accounts may be appropriate for the client.

- ***Protection of needs.*** We inventory and review the client's insurance policies, including life, disability, and long-term care. We also analyze the needs of the client and the client's family in the event of the client's death, disability, or long-term care. This may include reviewing the client's asset protection needs and property and casualty insurance policies. Based on our analysis, we may make certain observations about the adequacy of the client's insurance coverage and recommend additional insurance products and coverage.
- ***Estate planning and coordination.*** We assist the client in preparing to pass the client's wealth on to his or her beneficiaries. This may include coordinating with the client's estate planning attorney to ensure that the client's estate plans are consistent with his or her financial goals and expectations. We may also make recommendations designed to ensure that an estate or testamentary trust is able to meet its obligations, such as distribution of assets and payment of estate taxes.
- ***Education funding analysis.*** We evaluate and determine the amount of savings required to meet the client's goals for funding public or private school, college, and/or graduate school education for his or her children, grandchildren, or others. This may also include financial aid analysis.

#### *Ongoing Financial Planning Services*

The creation of a client's financial plan is just the first step of our financial planning process. On an ongoing basis, Clark Financial will monitor the client's progress toward identified goals, and provide the client with periodic written reviews of the client's portfolio. Our ongoing financial planning services also include unlimited telephone support and meetings. Clients are encouraged to meet with their Clark Financial investment advisor periodically to discuss their financial plan, review financial documents, and to evaluate the client's financial situation.

Because a client's financial plan is based on information provided by the client, clients are encouraged to contact their Clark Financial financial advisor promptly to discuss any changes to their financial situation, goals or needs. Clark Financial's ongoing financial planning service includes updates to financial plans.

*Implementation of the investment portion of the financial plan*

Once the client has approved of the financial plan, Clark Financial will implement the investment recommendations contained in the financial plan. To do this, Clark Financial will typically need to obtain discretionary authority over the client's brokerage accounts. This authority is set forth in the terms of the investment management agreement signed by the client.

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**Tailored Relationships**

At Clark Financial, financial planning and advisory services are tailored to the individual needs of clients. Client goals and objectives are clarified in meetings and via correspondence, and are used to determine the course of action for each individual client. Clients may impose reasonable restrictions on investing in certain securities or types of securities. This must be done in writing and be signed by the client and Clark Financial.

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**Managed Assets**

As of December 31, 2015, Clark Financial managed approximately \$153,407,603 in client assets on a discretionary basis, and approximately \$10,772,348 on a non-discretionary basis.

## Fees and Compensation

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### Description

Clark Financial's advisory fee is set forth in its written advisory agreement with the client. In addition to the advisory fee, Christopher William Schulenburg (a "Principal"), receives commissions from the sale of insurance products and 12b-1 fees from mutual funds in which client assets are invested. Additional information about these commissions and fees is described below.

While our advisory fees are not negotiable, we may consider aggregating related accounts or offer a professional courtesy discount.

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### Advisory Fees

#### Discretionary Accounts (other than TD Ameritrade Accounts)

Fees for discretionary portfolio management are typically assessed based on assets under management at the following annual rates:

- 2.00% for accounts with balances up to \$499,999
- 1.50% for accounts with balances up to \$999,999
- 1.00% for accounts with balances up to \$9,999,999
- 0.75% for accounts with balances greater than \$9,999,999

The above fee rate at each breakpoint applies to the entire account, not just the portion of the account that is within a particular breakpoint. Clark Financial will aggregate a client's advisory accounts for purposes of determining the appropriate fee rate.

#### Fee Billing

Advisory fees are generally deducted directly from the client's account(s), though clients may request to pay these fees by check or some other form. Advisory fees for new clients are deducted (or billed) quarterly in advance, based on the market value of the client's account(s) as of the date Clark Financial first begins advising the account(s), and thereafter as of the first business day of each quarter. Certain existing clients of Clark Financial are billed annually in advance.

Generally, a client may terminate his or her investment management agreement at any time by mailing written notice to Clark Financial. Clients will receive a *pro rata* refund of any advisory fees paid, but not yet earned, as of the date of termination.

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**Financial Planning Fees**

Clients may also elect to pay for our financial planning services by paying (a) an hourly fee at a rate of \$250 to \$500 an hour (depending on the experience of the Clark Financial team member providing the service), (b) a negotiated flat fee, (c) a fee based on the client's net worth or income, or (d) some combination of (a) – (c). Financial planning services are also available bundled with Advisory Fees.

A Clark Financial team member will discuss these financial planning fee options with each new client to assist the client in determining which option would work best for the client.

**Other Compensation**

Christopher W. Schulenburg, President and a co-owner of Clark Financial, is also a registered representative of [[Cutter] / [Cutter & Company, Inc. (“Cutter”)]], a broker dealer. If a client directs Clark Financial to execute client transactions through Cutter, and Clark Financial invests the client's assets in a mutual fund (or an applicable share class of a mutual fund) that pays a 12b-1 fee, Mr. Schulenburg will receive a portion of the annual 12b-1 fee. Because Mr. Schulenburg receives compensation from mutual funds in the form of 12b-1 fees received through Cutter, he and Clark Financial have an incentive to recommend the purchase of mutual funds (and mutual fund share classes) that pay a 12b-1 fee over other investments that do not pay such compensation. Clark Financial addresses this conflict by fully disclosing the conflict to its clients. Clark Financial also seeks to mitigate this conflict by periodically reviewing the mutual funds and share classes in which clients are invested to ensure that the investment chosen continues to offer the most favorable terms for the client, considering, but not limited to, possible short-term redemption fees, fund minimums and total share class expense (including any 12b-1 fee).

12b-1 fees are paid out of a mutual fund's assets on an ongoing basis and will therefore increase the costs and decrease the returns of a client's investment. Clark Financial's advisory fee is in addition to any 12b-1 fees received by Mr. Schulenburg and will not be reduced by the amount of 12b-1 fees received.

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**Insurance Commissions**

The Principals, as registered insurance agents, receive commissions for the sale of insurance products, including those recommended to clients. This presents certain conflicts of interest. Because the Principals receive commissions for the sale of insurance products, they and Clark Financial have an incentive not to recommend the purchase of investments and insurance products that do not pay such compensation (or that pay a lower commission rate). Clark Financial addresses this conflict by fully disclosing to the client, at the time of the sale of the insurance product, that the applicable Principal will receive a commission from the sale. Clients may purchase insurance products recommended by Clark Financial through other agents that are not affiliated with Clark Financial. Clark Financial's advisory fees will not be reduced to offset the payment of insurance commissions to the Principals.

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**Mutual Fund Fees and Expenses**

Mutual funds charge their own management and other operating expenses, as described in each fund's prospectus. Mutual funds also typically offer multiple share classes with different fee structures. Clark Financial will recommend and invest client assets in the mutual fund share class that it determines offers the most favorable terms for the client, taking into account factors including, but not limited to, fund minimums, possible short-term redemption fees, the length of time the account is expected to hold the position, and annual share class expenses (which include any 12b-1 fees).

Clients should understand that, depending on the mutual fund share classes offered by the fund and the amount to be invested, client assets invested in mutual funds are typically invested in load-waived Class A shares, which pay a 0.25% 12b-1 fee. Mr. Schulenburg will typically receive a portion of this fee through Cutter.

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**Other Fees**

Clients generally direct Clark Financial to execute transactions through Cutter. Cutter charges a transaction fee of \$25 plus an \$8 service charge to purchase into a mutual fund family. Cutter typically charges \$15 plus an \$8 service charge per fund to redeem mutual fund shares. Mutual fund exchanges within the same fund family typically have no transaction fee, except in the case of a short-term redemption fee. For stock trades, Cutter typically charges \$28 per trade plus an \$8

service charge per holding. Cutter's fees may vary from those disclosed above due to particular circumstances of a transaction, additional or differing levels of servicing required, or as otherwise contractually agreed upon with clients. Cutter may change its commission schedule and transaction and service fees without notice. Clark Financial and its personnel to not receive any portion of these transaction or service fees paid to Cutter.

Mutual funds and exchange traded funds in which client assets may be invested charge their own management fees and other operating expenses, as described in each fund's prospectus. These fees and expenses are exclusive of, and in addition to, the fees paid by the client to Clark Financial.

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**Past Due Accounts**

Clark Financial may terminate its investment advisory agreement with any client who is more than 60 days' overdue on a fee invoice.

## **Performance-Based Fees and Side-by-Side Management**

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### **No Performance-Based Fees**

Clark Financial does not charge performance-based fees (*i.e.*, fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Types of Clients**

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### **Types of Clients and Portfolio Minimums**

Clark Financial generally provides investment advice and financial planning services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations.

Clark Financial's minimum client portfolio size is \$200,000, with a \$150,000 minimum for individual stock management. Clark Financial may waive these minimums, or require a higher minimum, in certain circumstances.

## Methods of Analysis, Investment Strategies and Risk of Loss

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### Methods of Analysis

Clark Financial's methods of analysis, sources of information, and investment strategies include charting, fundamental analysis, technical analysis, and cyclical analysis. Our primary sources of information include Morningstar reports, fund prospectuses, financial newspapers and magazines, research materials prepared by others, filings with the SEC, and shareholder reports. Clark Financial has engaged certain outside investment advisers to provide market-timing and other investment services to Clark Financial. Clark Financial, and not its clients, pays the outside investment advisers for these services.

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### Investment Strategies

Our overall investment philosophy for individuals and families is a long-term financial plan that seeks to balance safety, income, growth, risk and taxes. The objective is to help the client reach his or her financial goals.

Clark financial uses a variety of investment strategies in managing client accounts. The investment strategy for a specific client is based on the client's financial plan (and, if applicable, the investment strategy selected by the client). A client may request a change in his or her financial plan, or the investment strategy Clark Financial uses in implementing that financial plan, at any time by providing notice to Clark Financial. The client's goals and objectives are recorded during meetings and via correspondence with the client, and are integrated into the client's financial plan. Below is a brief description of Clark Financial's primary investment strategies.

- ***Navigator.*** Model that typically invests in a combination of large-cap, mid-cap, and bond mutual funds.
- ***Mariner.*** Tactical model that typically invests in a combination of large-cap, mid-cap, small cap, international, and bond mutual funds.
- ***Beacon.*** Tactical model that typically invests in a combination of large-cap, mid-cap, and small-cap stock mutual funds.
- ***Admiral.*** Model that typically invests in a combination of large-cap, mid-cap, small-cap, international, and bond mutual funds.
- ***Pioneer MS.*** Model that typically invests in a combination of large-cap, mid-cap, small-cap, international, and bond mutual funds.
- ***Pilot.*** Model that typically invests in a combination of large-cap, mid-cap, small-cap, sector-specific, international, and bond mutual funds.

- ***Lighthouse and SR Lighthouse.*** Tactical model that typically invests in a combination of sector-specific and bond mutual funds.
- ***Cornerstone.*** Tactical model that typically invests in a combination of common and preferred stocks.
- ***Compass.*** Tactical model that invests in bond mutual funds.
- ***Steadfast.*** Tactical model that invests in bond mutual funds.

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## **Risk of Loss**

Investing in securities involves risk that all clients should be prepared to bear. Risk refers to the possibility that a client may lose money (both principal and earnings) or fail to make a positive return on an investment. Clark Financial cannot guarantee that it will achieve a client's investment objectives. Each client must be prepared to tolerate price volatility and possibly incur capital losses in the pursuit of the client's investment objective. Certain specific risks related to securities recommended by Clark Financial are described below:

### **Management Risk**

Clark Financial's judgment about the attractiveness, growth prospects and value of a particular asset, class of assets or individual security may prove to be incorrect. There is no guarantee that the securities or investment strategies recommended or used by Clark Financial to manage client accounts will perform as anticipated.

### **Mutual Fund Risk**

Mutual funds are sold by prospectus. Clients should carefully consider the investment objectives, risks, charges and expenses set forth in a mutual fund's prospectus. Client accounts invested in mutual funds will indirectly bear the fees and expenses payable directly by the mutual fund. Therefore, the client will incur higher expenses, many of which may be duplicative. Investments in mutual funds are subject to the same risks as the underlying securities, described below, in addition to management risk. Mutual fund returns may fluctuate and are subject to market volatility. In addition, the value of a client's investment in a mutual fund will depend on the skill of the mutual fund's adviser, and will be subject to risks arising from the investment practices of the mutual fund.

### Equity Investments

- **Common stocks.** The value of a company's common stock generally increases or decreases in value based on factors directly relating to that company, such as demand for the company's products or decisions by management. The value of a company's common stock is also affected by other factors not directly affecting the company, such as general industry or market conditions.
  - **Growth Stock Risk.** The stocks of companies believed to be fast-growing may trade at a higher multiple of earnings-per-share than other stocks. If the adviser's perception of a company's growth potential is incorrect, the value of the company's stock may fall or may never approach the value the adviser has placed on it. Growth stocks may fluctuate in value more than other investments in reaction to changing market conditions.
  - **Value Stock Risk.** Companies that are believed to be undervalued may be subject to special risks or may have suffered adverse developments that have caused their stocks to fall out of favor. If the adviser's perception of a company's prospects is wrong, or if other investors do not agree that a company's stock is undervalued, the value of the stock may fall or may never reach the value the adviser has placed on it.
- **Preferred stocks.** Market prices of preferred stocks are generally subject to changes in interest rates and are more sensitive to changes in an issuer's creditworthiness than are prices of debt securities. Unlike interest payments on debt securities, dividend payments on preferred stock generally must be declared by the issuer's board of directors. An issuer's board of directors is typically under no obligation to pay a dividend (even if dividends have accrued) and may suspend the payment of dividends at any time. Preferred stock shareholders may suffer a substantial loss in value if dividends are not paid.

- ***Small- and Mid-Cap Company Risk.*** Stocks of small- and mid-cap companies may be more volatile than stocks of larger companies. Small- and mid-cap companies also may lack the managerial, financial or other resources necessary to implement their business plans or succeed in the face of competition. Many of these companies are young and have a limited track record. Thus, small- and mid-cap companies may be more vulnerable to adverse business or market developments than larger companies. Their stock may also trade less frequently and in more limited volume than those of larger companies, which may make it difficult to sell a small- or mid-cap stock on favorable terms.
- ***Lack of Diversification.*** At times, Clark Financial's or an underlying mutual fund's investment strategy may concentrate investments in the stocks of relatively few companies, which may cause the client's or mutual fund's portfolio to be more vulnerable to adverse business developments affecting one or two such companies than if the client's or mutual fund's portfolio had been invested more broadly. In addition, it is possible that a single economic event could affect a significant portion of the companies in a client's or mutual fund's portfolio, especially if the client's or mutual fund's holdings are concentrated in related economic sectors or sectors broadly affected by any single economic variable.

#### *Fixed-Income Investments*

- ***Credit Risk.*** The issuer of a fixed-income security may be unable or unwilling to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If this occurs, or is perceived as likely to occur, the value of the fixed-income security may fall significantly.
- ***Change in Rating Risk.*** If a rating agency gives a fixed-income security a lower rating, the value of that security will likely fall because investors will demand a higher rate of return.
- ***Interest Rate Risk.*** As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of real interest rates and an expected inflation rate.

- ***Government Securities Risk.*** Securities of U.S. government sponsored entities, such as Freddie Mac or Fannie Mae, are neither issued nor explicitly guaranteed by the U.S. government. It is possible that the U.S. government would not provide financial support to its agencies or instrumentalities if it is not required to do so by law. If a U.S. government agency or instrumentality in which a client's portfolio invests defaults and the U.S. government does not stand behind the obligation, the value and yield of the security could fall.

#### *Foreign Securities Risk*

Investment in securities of foreign issuers involves certain special risks. Foreign issuers and markets may not be subject to the same degree of regulation and accounting discipline as U.S. issuers and markets. In addition to credit and market risk, investments in foreign securities involve sovereign risk, which includes fluctuations in foreign exchange rates, future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws or restrictions. In addition, with respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments that could adversely affect investments in those countries. There may be less publicly available information about a foreign company than about a U.S. company. Securities of foreign companies may be less liquid and their prices more volatile than securities of comparable U.S. companies. Dividend and interest income from foreign securities will generally be subject to withholding taxes by the country in which the issuer is located and may not be recoverable by the client. These risks may be greater in less developed countries, which are sometimes referred to as emerging markets.

#### *Frequent Trading Risk*

Certain of Clark Financial's investment strategies involve frequent trading of securities. Frequent trading may increase brokerage and other expenses or cause a higher current realization of capital gains and a potentially larger tax liability, decreasing the value of a client's portfolio.

## **Disciplinary Information**

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### **Legal and Disciplinary**

This item is not applicable to Clark Financial.

## Other Financial Industry Activities and Affiliations

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### Activities

Clark Financial does not participate in any other industry business activities.

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### Affiliations

Clark Financial's financial advisors are dually licensed as registered representatives of Cutter, a broker-dealer and member FINRA/SIPC. Clark Financial's financial advisors are also licensed as insurance agents, which permits them to offer a wide range of insurance products as part of a client's complete financial plan. The Principals will typically receive commissions for the sale of insurance products.

Occasionally, Clark Financial will refer clients to commercial banks for loans, banking or thrift institutions, accounting firms, law firms, insurance companies or agencies, pension consultants, real estate brokers or dealers. For example, Clark Financial may refer clients to accounting firms for tax preparation services, or to a lawyer or law firm for estate planning services. Clark Financial does not receive any compensation for these referrals.

Please refer to the "*Fees and Compensation*" portion of this brochure for a discussion of certain conflicts of interest related to fees and commissions received by Clark Financial's Principals from mutual funds and the sale of insurance products.

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

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### **Code of Ethics**

Clark Financial has adopted a Code of Ethics (the “Code”) that is applicable to its investment personnel. The Code is built on the principle that we owe a fiduciary duty to our clients. The Code is designed to ensure, among other things, that our investment personnel conduct their investment activities in accordance with applicable law and in a manner where the interests of Clark Financial clients are placed first. The Code includes an insider trading policy to establish principles of conduct and to avoid conflicts of interests that may arise between Clark Financial’s personnel and clients as a result of personal trading activities. The Code also requires investment personnel to report all accounts and securities holdings covered by the Code at the commencement of their employment and annually thereafter. In addition, on a quarterly basis, all investment personnel are required to report all securities transactions executed during the quarter. Certain securities are exempt from the requirements of the Code, including mutual funds, money market funds, money market instruments, and U.S. Government securities. Clark Financial personnel who are CFP® designees are also held to a Code of Ethics as outlined by the CFP® Board of Standards.

A copy of the Code will be provided to any client or perspective client upon request.

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### **Participation or Interest in Client Transactions**

Clark Financial and its investment personnel may purchase, sell or hold stocks and mutual funds for their own accounts that may also be held or have been or will be purchased or sold for the accounts of Clark Financial’s clients. To address any potential conflicts of interests, trades in stock on behalf of investment personnel and clients executed on the same day will be aggregated and executed at the same time, with the Clark Financial investment personnel and clients paying the same price per share.

Because mutual funds sell their shares based on their daily net asset value, Clark Financial does not believe that investment personnel transactions in mutual funds create a conflict of interest or adversely affect clients.

## Brokerage Practices

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### Selecting Brokerage Firms

Unless otherwise agreed with a client, Clark Financial requires clients to direct the use of Cutter to execute transactions. As of the date of this brochure, Cutter executes client transactions on a fully disclosed basis through First Clearing, LLC, a registered broker-dealer and member FINRA/SIPC (“First Clearing”). Cutter and First Clearing establish commission rates and securities transaction and other fees charged to effect securities transactions. Not all investment advisors require their clients to use a specific broker-dealer.

By directing Clark Financial to execute client transactions through Cutter, the client agrees that the Principals, as registered representatives of Cutter, will receive and retain a portion of the 12b-1 fees paid by a mutual fund in which the client’s assets are invested. The receipt of 12b-1 fees by the Principals creates an incentive for the Principals and Clark Financial to invest client accounts in mutual fund shares that pay a 0.25% 12b-1 fee rather than mutual fund shares that pay a lower (or no) 12b-1 fee or other investments that do not charge such fee. Please see “*Fees and Compensation*” for further information about this conflict of interest and how it is addressed.

In addition, Cutter provides certain research reports to Clark Financial, free of charge, which are not typically available to retail investors. The receipt of these research reports benefits Clark Financial because it is not required to produce or pay for the research. There is no minimum volume of transactions that Clark Financial must execute through Cutter in order to receive these research reports. However, Clark Financial’s receipt of these free research reports creates a conflict of interest because Clark Financial’s requirement that clients direct the use of Cutter may be based, in part, on Clark Financial’s desire to continue to receive these research reports.

Although Clark Financial believes that the commission rates charged by Cutter and First Clearing are competitive, they may not be the lowest commission rates available to clients and Cutter may not offer most favorable execution under the circumstances. Clients may be able to execute transactions at much lower rates through a different broker-dealer. Please see “*Fees and Compensation – Other Fees*” for a discussion of fees charged by Cutter to effect transactions.

## **Review of Accounts**

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### **Periodic Reviews**

Client accounts are managed under various management programs depending on the client's investment objectives and risk tolerance. Management programs are monitored on a daily basis. All client portfolios are reviewed at least quarterly by all of Clark Financial's financial advisors: Christopher W. Schulenburg (Clark Financial's Chairman and President), Kevin A. Clark (Clark Financial's Chief Compliance Officer and Senior Vice President), Thomas Nathaniel Harvell (Clark Financial's Vice President), and Kerry D. Rogers.

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### **Review Triggers**

Additional client account reviews may be triggered by client request, changes in market conditions, new information about an investment, changes in tax laws, or other pertinent events.

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### **Regular Reports**

Consolidated portfolio reports are typically provided to clients on a quarterly basis.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

Clark Financial has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources. Clark Financial does not pay for these referrals. Clark Financial has an agreement with a broker-dealer affiliated with Cutter whereby the broker-dealer refers advisory clients to Clark Financial in return for a portion of the advisory fees paid by referred clients to Clark Financial.

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### **Referrals to Other Professionals**

Clark Financial does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them. Clark Financial may be perceived to have a conflict of interest in referring clients to other professionals, however, because at times it may receive referrals from these professionals.

## **Custody**

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### **Account Statements**

Client funds and securities advised by Clark Financial are held by the client's qualified custodian. A client's custodian will provide the client with account statements at least quarterly. Clients are encouraged to carefully review the statements provided by their custodians and to compare them to any statements provided by Clark Financial.

## **Investment Discretion**

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### **Discretionary Authority for Trading**

Clark Financial generally receives discretionary authority from the client at the outset of the advisory relationship to determine, without obtaining specific client consent, the securities to be bought or sold for the client's account(s). Clients typically execute a limited power of attorney granting Clark Financial authority over their account(s) for trading purposes. Clients may place limitations on Clark Financial's discretionary authority, which would be included in the written investment advisory agreement or some other written agreement.

## **Voting Client Securities**

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### **Proxy Votes**

Clark Financial does not have the authority to vote proxies relating to securities held in client accounts. Rather, clients retain the authority for voting all proxies. A client's custodian or the security's transfer agent is responsible for providing all proxy notices and proxy-related materials to the client. Clients are encouraged to call or email Clark Financial if they have any questions regarding the process for voting proxies.

## **Financial Information**

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### **Financial Condition**

Clark Financial does not have any financial impairment that will preclude it from meeting its contractual commitments to clients. An audited balance sheet is provided on the following page.

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**Balance Sheet**

December 31, 2015

**ASSETS****CURRENT ASSETS**

|   |    |              |
|---|----|--------------|
| Cash  | \$ | 116,694      |
| Accounts Receivable, Less Allowance for Doubtful Accounts |    | 45,760       |
| Prepaid Expenses  |    | 7,593        |
| Current Portion of Note Receivable, Officer               |    | 38,000       |
| Deferred Tax Asset  |    | <u>1,500</u> |
| Total Current Assets                                      |    | 209,547      |

**PROPERTY AND EQUIPMENT**

|                                |  |                  |
|--------------------------------|--|------------------|
| Equipment                      |  | 129,655          |
| Leasehold Improvements         |  | <u>34,451</u>    |
| Total                          |  | 164,106          |
| Less: Accumulated Depreciation |  | <u>(149,689)</u> |
| Total Property and Equipment   |  | 14,417           |

**OTHER ASSETS**

|   |  |                |
|---|--|----------------|
| Note Receivable, Officer                        |  | 152,746        |
| Cash Surrender Value of Officers Life Insurance |  | 31,618         |
| Club Membership                                 |  | <u>1,000</u>   |
| Total Other Assets                              |  | <u>185,364</u> |

|              |    |                |
|--------------|----|----------------|
| Total Assets | \$ | <u>409,328</u> |
|--------------|----|----------------|

**LIABILITIES AND STOCKHOLDERS' EQUITY****CURRENT LIABILITIES**

|                             |    |                |
|-----------------------------|----|----------------|
| Accounts Payable            | \$ | 51,511         |
| Accrued Payroll             |    | 28,157         |
| Accrued Profit Sharing Plan |    | 29,540         |
| Accrued Income Taxes        |    | 3,658          |
| Accrued Manager Fees        |    | 30,595         |
| Deferred Revenue            |    | <u>253,385</u> |
| Total Current Liabilities   |    | 396,846        |

**LONG-TERM LIABILITIES**

|                             |  |            |
|-----------------------------|--|------------|
| Deferred Taxes              |  | <u>200</u> |
| Total Long-Term Liabilities |  | 200        |

|                   |  |         |
|-------------------|--|---------|
| Total Liabilities |  | 397,046 |
|-------------------|--|---------|

**STOCKHOLDERS' EQUITY**

|                                       |  |               |
|---------------------------------------|--|---------------|
| Common Stock, \$1 Par Value           |  |               |
| Authorized – 30,000 shares            |  |               |
| Issued and Outstanding – 1,000 shares |  | 1,000         |
| Retained Earnings                     |  | <u>11,282</u> |
| Total Stockholders' Equity            |  | <u>12,282</u> |

|  |    |                |
|--|----|----------------|
| Total Liabilities and Stockholders' Equity | \$ | <u>409,328</u> |
|--|----|----------------|

## **Succession Plan**

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### **Succession Plan and Potential Conflict of Interest**

Clark Financial's Principals entered into a shareholders' agreement to ensure the orderly disposition of Clark Financial's stock in the event of their death, disability, or bankruptcy. In the event of the death or permanent disability of Christopher W. Schulenburg, Clark Financial's Chief Compliance Officer (the "CCO") would have the option to purchase the remaining outstanding shares of Clark Financial and to receive any 12b-1 fees that were due at the time to be paid to the Principals by Cutter.

Pursuant to the terms of the agreement between Clark Financial and Cutter, these 12b-1 payments would be made by Cutter to the CCO only if certain conditions are met, such as a requirement that Clark Financial has no more than three customer complaints in the three years prior to the succession and there are no outstanding sanctions by any regulatory entity. This arrangement creates a potential conflict of interest because the CCO may be incentivized to conceal or minimize customer complaints. We have adopted compliance procedures to address this conflict, which require a compliance associate (other than the CCO) to review written client correspondence and to directly report any potential client complaints or other compliance issues directly to Cutter and the CCO.

## Brochure Supplement (Part 2B of Form ADV)

### Supervised Persons

Christopher William Schulenburg, Kevin Allen Clark, Thomas Nathaniel Harvell, and  
Kerry Dean Rogers

### Clark Financial Services Group, Inc

14310 Olive Blvd.  
Chesterfield, MO 63017

Phone: (314) 469-5000 Fax: (314) 469-5525

[www.clarkfin.com](http://www.clarkfin.com)

As of March 30, 2016

This brochure supplement provides information about Christopher William Schulenburg, Kevin Allen Clark, Thomas Nathaniel Harvell, and Kerry Dean Rogers that supplements the Clark Financial Services Group, Inc. brochure. You should have received a copy of that brochure. Please contact Clark Financial Services Group, Inc. if you did not receive Clark Financial Services Group, Inc.'s brochure or if you have any questions about the contents of this supplement

Additional information about Christopher William Schulenburg, Kevin Allen Clark, Thomas Nathaniel Harvell, and Kerry Dean Rogers is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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### **Education and Business Standards**

Clark Financial Services Group, Inc. requires that any employee whose function involves determining or giving investment advice to clients must be a graduate of a four year college and must:

1. Hold a Series 65 or its equivalent.
2. Hold a Series 7 or its equivalent.
3. Subscribe to the Code of Ethics of the National Association of Personal Financial Advisers (NAPFA) and the CFP® Board of Standards (should that individual hold a Certified Financial Planner designation).
4. Be properly licensed for all advisory activities in which they are engaged.

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### **Professional Certifications**

Employees who have earned certifications and credentials are required to be explained in further detail.

#### **CERTIFIED FINANCIAL PLANNER™**

CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (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.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning.
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances.
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year).

- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field.
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

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**Christopher W. Schulenburg, Chairman, President**

Christopher William Schulenburg was born on February 10, 1964. He serves as the Chairman and President of Clark Financial Services Group, Inc.

**Educational Background:**

- University of Missouri, St. Louis
- Bachelor of Science
- Major in Political Science

**Business Experience:**

From March 1991 to 1995 he was Marketing Manager. From 1995 to 2004 he was Vice President. He became President in January 2004. He serves on the firm’s Investment Committee.

**Disciplinary Information:** None

**Other Professional Activities:**

Christopher served as president of the Chesterfield Chamber of Commerce and Chesterfield Kiwanis.

**Additional Compensation:**

Acts as a registered representative of a broker-dealer and receive commissions & trails.

Supervision:

Christopher's compliance-related activities are supervised by Kevin Allen Clark, CFP®, Senior Vice President and Chief Compliance Officer.

Kevin Allen Clark's contact information:

(314) 469-5000 [kevin@clarkfin.com](mailto:kevin@clarkfin.com)

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**Kevin Allen Clark, CFP®, Senior Vice President, Chief Compliance Officer**

Kevin Allen Clark was born on June 6, 1974. He is Senior Vice President of Clark Financial Services Group, Inc. He became the firm's Compliance Officer on February 1, 2012.

Educational Background:

- University of Missouri
- Bachelor of Science in Business Administration
- Emphasis in Finance

Business Experience:

Kevin oversees Clark Financial Services Group, Inc.'s asset allocation department and serves on the firm's Investment Committee.

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision:

Kevin's compliance-related activities are supervised by Christopher William Schulenburg, President.

Christopher William Schulenburg's contact information:

(314) 469-5000 [chris@clarkfin.com](mailto:chris@clarkfin.com)

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**Thomas Nathaniel Harvell, Vice President**

Thomas Nathaniel Harvell was born January 10, 1983. He is Vice President of Clark Financial Services Group, Inc.

Educational Background:

- Southeast Missouri State University
- Bachelor of Science in Business Administration
- Major in Finance / Major in Administrative Systems Management

Business Experience:

Thomas works in the firm's asset allocation department. Prior to working for Clark Financial Services Group, Inc., he was a bank officer for Sun Security Bank in Cottleville.

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision:

Nathan's compliance-related activities are supervised by Kevin Allen Clark, CFP®, Senior Vice President and Chief Compliance Officer.

Kevin Allen Clark's contact information:

(314) 469-5000 [kevin@clarkfin.com](mailto:kevin@clarkfin.com)

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**Kerry Dean Rogers, Client Development, Financial Advisor**

Kerry Dean Rogers was born on January 1, 1968. He works in the firm's marketing department

Educational Background:

- Washburn University
- Bachelor of Science
- Major in Political Science

Business Experience:

Kerry works in the firm's marketing department. Prior to working for Clark Financial Services Group, Inc., he was a registered investment advisor with Rogers & Company Wealth Management, Inc.

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision:

Kerry's compliance-related activities are supervised by Kevin Allen Clark, CFP®, Senior Vice President and Chief Compliance Officer.

Kevin Allen Clark's contact information:

(314) 469-5000 [kevin@clarkfin.com](mailto:kevin@clarkfin.com)