

Item 1 – Cover Page

Resource Advisory Services, Inc.

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March 28, 2011

This Brochure provides information about the qualifications and business practices of Resource Advisory Services. If you have any questions about the contents of this Brochure, please contact us at (865) 560-0140 and/or dlewis@resourceadv.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.

Resource Advisory Services is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about Resource Advisory Services, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure, dated **March 28, 2011**, is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting J. David Lewis, President, at (865) 560-0140 or dlewis@resourceadv.com. Our Brochure is also available free of charge on our web site http://www.resourceadv.com/adv_form.html. Additional information about Resource Advisory Services is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Resource Advisory Services who are registered, or are required to be registered, as investment adviser representatives of Resource Advisory Services.

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Item 4 – Advisory Business

Resource Advisory Services, Inc., a Subchapter S Corporation, was founded in March 1985 by J. David Lewis, who remains the only owner. It operates as a comprehensive fee-only financial planning firm, tailored to the financial circumstances and capabilities of each client. Its services are adapted to individual client needs from the following methods:

Generally, client relationships with Resource Advisory Services begin through a comprehensive review of each new client's personal financial circumstance, guided by the issues that prompted the client to seek the assistance of a comprehensive fee-only financial advisor. These reviews, titled "Recommendations Reports," include a written discussion of personal and financial issues which influenced the client's current financial circumstances. Central to the document is an estimate of the client's net worth statement, including all identifiable assets and liabilities. Asset values and liability balances are estimated using the most accurate information that is practical to determine as of the Recommendations Report date. Carefully considered estimates of value, with the clients' assistance, are generally needed for some assets and liabilities. Investments, whether securities or otherwise, are discussed within the context of other items in the net worth statement, as well as client income. Income from sources other than investments is used to advise on capacity for increasing net worth through asset accumulation and debt reduction and/or the prudent use of accumulated net worth to sustain lifestyle in the absence of sufficient earned income. This comprehensive review is independent from ongoing financial advisory and investment management services. Although many clients do continue with ongoing financial advisory and investment management services, it is not unusual for a Recommendations Report project to provide sufficient insights to meet a client's needs without additional services from us. Fees for Recommendations Report projects are quoted using guidelines discussed in Item 5 below and governed by a "Limited Financial Planning Agreement."

Recommendations Reports include Resource Advisory Services' advice for future management of each client's financial affairs, including proposed investment management services. A proposal for Resource Advisory Services' ongoing assistance to implement recommendations, when warranted, is discussed within the Recommendations Report. These subsequent services are collectively titled the "Ongoing Relationship," which is guided, at least in the initial years, by the independent findings of the Recommendations Report project. The Ongoing Relationship is governed by a Financial Planning and Investment Management Agreement. Ongoing Relationships include comprehensive monitoring of Net Worth Statement information, as well as continuous securities portfolio management. Reports are prepared at three month intervals, with updated values and/or estimates for assets and liabilities, to keep Resource Advisory Services aware of changing financial circumstances. Client involvement and assistance is crucial in maintaining quality information and

anticipating financial events that warrant Resource Advisory Services assistance. For an extended discussion of these services and methods see <http://resourceadv.com/methods.html>.

As of December 31, 2010, Resource Advisory Services maintained records for \$62.29 million investment assets for clients. Of these, \$52.1 million were in securities accounts, which included taxable and tax deferred accounts. The remainder of these investments, \$10.2 million, was primarily commercial real estate investments.

With respect to \$52.1 million of these investment assets, 84% of the December 31 total, Resource Advisory Services makes virtually all decisions on a continuous basis with respect to amount, timing and executions for managing these assets (discretionary authority). With respect to the remaining \$10.2 million or 16%, including the real estate investments, Resource Advisory Services advises and assists clients to varying degrees, with the ultimate decisions executed by clients (non-discretionary authority). As of March 31, 2011, client investment assets within Resource Advisory Services had grown to approximately \$65.45 million, which are estimated to be allocated in approximately the same percentage relationships as was the case on December 31, 2010.

Item 5 – Fees and Compensation

Resource Advisory Services' fees and compensation are based on the "Fee-Only Financial Planning" principles developed by National Association of Personal Financial Advisors. Those principles are articulated in its "Fiduciary Oath" as follows:

"The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the client. The advisor shall provide written disclosure to the client prior to the engagement of the advisor, and thereafter throughout the term of the engagement, of any conflicts of interest, which will or reasonably may compromise the impartiality or independence of the advisor.

The advisor, or any party in which the advisor has a financial interest, does not receive any compensation or other remuneration that is contingent on any client's purchase or sale of a financial product. The advisor does not receive a fee or other compensation from another party based on the referral of a client or the client's business."

Recommendations Report Fees

Resource Advisory Services' fees for the preparation of Recommendation Reports generally follow guidelines, which reflect its experience with various levels of complexity in new client relationships. When Resource Advisory Services believes it will be successful improving issues a prospective new

client presents, it will offer services by quoting a specific fee within a Limited Financial Planning Agreement for a Recommendations Report project. Guidelines for such fees are:

- \$1,500 when net worth is below \$1 million and family income is below \$150,000 per year
- \$2,500 when net worth is \$1.0 to \$1.25 million or income is \$150,000 to \$200,000 per year
- \$3,500 when net worth is \$1.25 to \$2.5 million or family income is \$200,000 to \$300,000 per year
- \$5,000 when net worth is \$2.5 to \$4 million or family income is \$300,000 to \$400,000 per year
- \$6,000 when net worth is \$4 to \$6 million or family income is \$400,000 to \$600,000 per year
- \$7,000 when net worth exceeds \$6 million or family income exceeds \$600,000.
- When net worth exceeds \$7 million or family income exceeds \$600,000, Recommendations Report fees can vary widely, depending on the complexity of your situation.

When a Recommendations Report fee is \$3,000 or more and the client continues into an Ongoing Relationship, 50% of the Recommendations Report fee will be applied to reduce Quarterly Retainer Fees over the first two years of the Ongoing Relationship. The specific formula will be discussed in the relevant Recommendations Report.

Negotiation of Fees

These guidelines for Recommendations Report fees are based on significant experience in preparing such reports. They reflect anticipated value to clients, the required staffing sophistication to provide meaningful solutions for client issues and anticipated time required for appropriately communicating Resource Advisory Services' findings and recommendations. Fees quoted may vary around the benchmarks in these guidelines. Several issues may cause Resource Advisory Services to quote higher or lower fees than these guidelines imply. Negotiations for fees that are different from those quoted can be entertained. However, requests for fee negotiation should include the reasons Resource Advisory Services may have misunderstood the anticipated value of its services to the client, the required staffing sophistication to provide meaningful solutions for the client's issues and/or different anticipated time requirements for communicating Resource Advisory Services' findings and recommendations.

Ongoing Relationship Retainer Fees

Resource Advisory Services charges Quarterly Retainer Fees for ongoing comprehensive financial planning and investment management services. Retainer fees are determined at three-month intervals, based on anticipated financial planning services to be rendered during the following "engagement quarter" and the beginning dollar amount of investment assets to be managed. An "engagement quarter" is three consecutive calendar months, but may or may not correspond to

traditional calendar quarters. Therefore, an engagement quarter is three months between two consecutive “reporting dates.” Reporting dates are the last day of an engagement quarter.

Generally, retainer fees are calculated at the annual rate of 1.00% applied to the market value of investment assets managed by Resource Advisory Service on the last day of an engagement quarter, - the reporting date. Retirement plans, such as 401(k)s, are generally considered integral to comprehensive financial planning relationships, in the sense that investment choices are made in coordination with all other investments. Thus, investments in these accounts are managed as portions of each client’s investments which are included in Retainer Fee calculations.

Contributions to managed investments or withdrawals from managed investments during engagement quarters do not affect retainer calculations, except to the extent they affect the total of investments on reporting dates. Retainer fees are paid, in advance for comprehensive financial planning and investment management services during the three months following the reporting date.

For example, a client may have an engagement quarter that includes August, September and October. In this case, July 31 will be the last day of the preceding engagement quarter and its reporting date. The market value of managed investment assets on the reporting date generally determines the retainer fee calculation for the following three months (August, September and October). In this example, if total investment assets managed by Resource Advisory Services on July 31 are \$1 million, the calculated retainer fee for the following three months would be \$2,500. That is 1% of \$1 million, divided by 4. These services include preparation of the Quarterly Report as of July 31 and comprehensive financial planning/investment management in August, September and October. The Quarterly Report as of October 31 will be considered a part of the November, December and January Engagement Quarter.

Resource Advisory Services does not require an account minimum for investment management services. However, it will generally quote Minimum Quarterly Retainer Fees, based on anticipated value to clients, the required staffing sophistication to provide meaningful solutions for client issues and anticipated staffing time. For those engagements where the calculated retainer fee, based on managed investment assets, will not support the anticipated level of services to be rendered, the retainer fees are based on Minimum Retainer Fees. Minimum Retainer Fees are subject to the same fee negotiation principles as fees quoted for Recommendations Report projects. The following guidelines generally determine Minimum Retainer Fees:

- \$750 per quarter is the minimum retainer for clients with annual family income below \$150,000 and net worth below \$1 million. When managed investment assets for these clients exceed \$300,000, the calculated retainer will exceed this minimum retainer.

- \$1,000 per quarter is the minimum retainer for clients with annual family income between \$150,000 to \$200,000 or net worth between \$1 and \$1.25 million. When managed investment assets for these clients exceed \$400,000, the calculated retainer will exceed this minimum retainer.
- \$1,250 per quarter is the minimum retainer for clients with annual family income between \$200,000 and \$300,000 or net worth between \$1.25 and \$2.5 million. When managed investment assets for these clients exceed \$500,000, the calculated retainer will exceed this minimum retainer.
- \$1,500 per quarter is the minimum retainer for clients with annual family income between \$300,000 and \$400,000 or net worth between \$2.5 and \$4 million. When managed investment assets for these clients exceed \$600,000, the calculated retainer will exceed this minimum retainer.
- \$2,000 per quarter is the minimum retainer for clients with annual income exceeding \$400,000 or net worth exceeding \$4 million. When managed investment assets for these clients exceed \$800,000, the calculated retainer will exceed this minimum retainer.

Variations from these guidelines will be considered when the anticipated complexity, responsibility and professional services time are either greater than or less than Resource Advisory Services' typical experience with clients who have income and/or net worth levels contemplated within these guidelines. The specific manner in which retainer fees are charged by Resource Advisory Services is generally proposed in a Recommendations Report and established in a Financial Planning and Investment Management Agreement.

Resource Advisory Services will generally bill Quarterly Retainer Fees at three-month intervals by deducting them from brokerage accounts it manages. Often, Quarterly Retainer Fees are prorated among accounts managed, based on their respective sizes. However, fees may be allocated among accounts in a manner other than prorated division, particularly with respect to Minimum Retainer Fees.

Since retainer fees for Ongoing Relationships are billed in advance, Ongoing Relationships that end during an Engagement Quarter may be subject to a refund of prorated fees related to investment management. For this purpose, half of Quarterly Retainer Fees are considered compensation for financial planning services that are not investment management services. This means, when retainer fees are calculated as a percentage of managed assets, half (50%) of Quarterly Retainer Fees will be treated as earned by Resource Advisory Services at the time each client's Quarterly Report is substantially complete. The remaining half will be treated as an investment management fee, which is subject to a refund based on the month-end date closest to the date the Ongoing Relationship

ends. For clients with a Minimum Retainer Fee, all retainer fees are treated as financial planning fees, which is not subject to refund after the relevant Quarterly Report is substantially complete.

For example, consider an Ongoing Relationship with \$1 million in managed assets and a Quarterly Reporting Date of July 31. If Resource Advisory Services' responsibilities end on August 25, the nearest month-end is August 31. On that date, one-third of the engagement-quarter has lapsed. Assuming the Quarterly Report as of July 31 is completed before August 25, one-half the Retainer Fee (\$1,250) is earned for financial planning services other than investment management services. The portion of this Quarterly Retainer Fees attributable to investment management and subject to refund is \$1,250. With one-third of the engagement quarter lapsed, two-thirds of the investment management portion of the retainer will be refunded. Two-thirds of \$1,250 is \$833.33, which will be delivered by check during the month of September.

In some cases, clients may be billed directly for Retainer Fees, as opposed to deducting Retainer Fees from brokerage accounts. This is a matter for negotiation in circumstances where direct billing is beneficial for both the client and Resource Advisory Services. An additional charge may be imposed for permitting clients to pay fees by check.

Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. In some cases mutual fund transactions incur specific fees and/or commissions. Such charges, fees and commissions are exclusive of and in addition to Resource Advisory Services' fees.

Although Resource Advisory Services rarely may use instruments other than mutual funds, it may. To the extent other instruments are used, clients may incur charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges are also in addition to fees paid to Resource Advisory Services.

Resource Advisory Services considers it important to understand expenses clients will incur relative to investment instruments recommended. These expenses, along with other relevant information, are considered in the best interest of specific client situations. Item 12 describes factors Resource Advisory Services considers in selecting or recommending custodian or broker-dealers for client transactions, including the reasonableness of fees and compensation (*e.g.*, commissions) paid to them.

Resource Advisory Services will not receive any portion of these commissions, fees, and costs. When Resource Advisory Services quotes investment performance to clients, it typically provides annualized time-weighted-rates-of-returns both before and after Quarterly Retainer Fees. Returns after retainer fees include all expenses within the relevant securities accounts plus the portions of

retainer fees attributable to both financial planning and investment management services. Investment performance quoted before fees includes all expenses incurred except Quarterly Retainer Fees paid to Resources Advisory Services for financial planning and investment management services.

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

Resource Advisory Services does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Instead, Resource Advisory Services charges retainer fees for ongoing comprehensive financial planning services, of which investment asset management is a portion. Investment management affects financial planning and financial planning affects the client's ability to maintain and build an investment portfolio for management.

Item 7 – Types of Clients

Resource Advisory Services generally provides portfolio management services within the context of comprehensive financial planning relationships for individuals, couples and families. It does not seek engagements for investment asset management services alone, although such engagements are considered. Typically, investment asset management services outside Ongoing Relationships for comprehensive financial planning make up less than 10% of Resource Advisory Services' revenues. Client net worth ranges from below \$1 million to approximately \$12 million. Most clients have net worth between \$1 million and \$4 million. Investment portfolios are generally significantly less than net worth, with most household portfolios between \$750,000 and \$3 million. A few family securities portfolios are larger and smaller than this range.

Resource Advisory Services is particularly interested in clients who can demonstrate commitment to growing net worth or managing it prudently when withdrawals are used to support lifestyle spending or other purposes. It has no minimum portfolio size requirements. It does expect clients to demonstrate commitment to building net worth by both reducing liabilities and contributing to investment accounts, particularly for those clients with relatively low portions of wealth allocated to investments and/or securities. Resource Advisory Services' reporting regiment is designed to monitor progress of net worth growth as well as its structure and components. Investment assets and/or securities investments are important portions of this monitoring and management regiment. Commitment to prudent growth, paired with the ability to support at least minimum retainer are prized attributes for new clients. When new clients are subject to minimum retainer fees, it is important to believe that investment assets will eventually exceed the level which implies the normal calculation of retainer fees at the annual rate of 1% applied to investment assets managed.

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

Investing in securities involves risk of loss that clients should be prepared to bear. Investors should always know that securities values will have periods of negative returns - sometimes dramatic and shocking negative returns. The best one should expect is prudent returns in the context of these difficult periods.

Real financial progress comes from building wealth, or net worth, through disciplined investment contributions and debt payments. Building and enjoying wealth means contentment with appropriate allocations between amenities of life and financial progress. The investment return's impact is limited by the amount of resources allocated to investments. Even investment performance that correctly balances risks and rewards is only prudent.

Resource Advisory Services continues to believe that diverse portfolios of company stocks offer the best opportunities for long term investment performance. Including diverse portfolios of bonds can act as a mitigating influence for volatility stocks have historically produced. Resource Advisory Services also holds strongly its belief that there is value in professional active management, in the form it is available with many mutual funds.

While these acts of prudent management are intended to mitigate investment risk, there is not a certainty that they will. There are many examples in history which demonstrate that securities investment values can be very unpredictable, particularly for short periods. Investors are often caught by surprise and highly qualified individuals error in their investment selection techniques.

There are reasons Resource Advisory Services believes mutual fund management is a valid approach. Their performance is well researched over many years by organizations that act as independent information sources. A substantial body of information about the corporate characteristic of mutual fund management companies is readily available. In the years since Resource Advisory Services was founded, 1985, its list of mutual funds has continually evolved. Nevertheless, there are numerous mutual fund families, and even specific mutual funds, that have been represented for practically the entire history of this firm. These mutual funds have internal expenses, which are an important influence on client ultimate results. Resource Advisory Services is aware of these, as clients can and should be. Ultimately, the significant issue is whether the management expertise clients acquire through these internal expenses of mutual funds and similar instruments is an appropriate use of clients' resources.

Because mutual funds can be bought in relatively small position sizes, Resource Advisory Services can diversify client portfolios among mutual fund managers. Many people think of broad diversification in terms of stocks, bonds, real estate and a variety of other instruments.

Diversification among investment managers is another layer Resource Advisory Services considers important. Two mutual funds may own the same stock or bond, with very different reasons for including that instrument. Accordingly, there will be different circumstances that prompt the sale or additional purchase of that security. This is another kind of diversification that is available through the ability to own a number of relatively small mutual fund positions.

There are a number of mutual fund categories Resource Advisory Services uses for diversification. They include large, mid and small company funds. There are methodologies for selecting companies with long histories of growth versus researching the companies for value that is not yet recognized by the “markets.” This is the classic difference between growth and value styles. Mutual funds are grouped together by characteristics like these that Resource Advisory Services can study and understand.

At Resource Advisory Services, building a portfolio begins with an intention to include several categories of mutual funds. Then, Resource Advisory Services can compare mutual funds that have similar category characteristics by choosing those it considers best among their peers. This means Resource Advisory Services is basically using the internal expenses of the mutual funds to acquire the best managers’ expertise relative to costs - efficiency.

Resource Advisory Services and its clients should clearly understand at all times that there is a high probability that many of the mutual funds used in portfolios will not be top performers for a given period of time. Indeed, investors should expect some selections to underperform their peers. These occurrences warrant Resource Advisory Services focused research and decisions for whether to replace specific mutual funds in client accounts.

Resource Advisory Services has an extraordinary commitment to holding portfolios through whatever market conditions prevail at any given time. There have been at least six market crises since the formation of Resource Advisory Services. It has been steadfast through all of those. It has weathered days when people were convinced stocks had to be sold, and then watched as markets recovered in ways that were far more dramatic than could be imagined on the worst days. When Resource Advisory Services felt pressures to “move into tech stocks,” in the late 1990s, it resisted very strongly. Resource Advisory Services does not restructure portfolios quickly under pressure.

When a client insists that Resource Advisory Services sell a portfolio, or even a particular security, it will. This is a painful experience. It runs against core beliefs about managing portfolios based on appropriate allocations for constantly varying economic conditions. Clients should expect Resource Advisory Services to advise against selling securities under pressures of a difficult market.

In this steadfast conviction to choose securities methodically and strongly resist selling them in turbulent markets, Resource Advisory Services may not be right. Events outside the control of Resource Advisory Services may result in losses. Clients will always have authority to sell or buy securities on their own. A particular risk is that a client may follow Resource Advisory Services' advice for a time, and then sell at a worse time than if they sold when the markets were better. Thus, the opportunity to participate in an economic recovery is lost. Clients of Resource Advisory Services should be prepared to hold portfolios it manages through the most trying of market conditions.

In limited instances, Resource Advisory Services has recommended and facilitated client investment in closely held private companies that are not listed on any securities exchanges. These instruments carry significantly more risk than mutual funds or similar instruments Resource Advisory Services uses in client portfolios on a discretionary basis. Because these are not discretionary transactions, they also require significantly more documentation than other investments Resource Advisory Services uses in client portfolios. Accordingly, it is Resource Advisory Services' responsibility to determine whether such instruments represent appropriate risk and reward characteristics for each client where they are recommended. A key element in making this judgment is counseling each client on an appropriate portion of net worth, total assets and total investments for each such investment. Typically these non-securities investments have been real estate related. Resource Advisory Services intends to seek other such investments for clients whose financial circumstances warrant their use.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Resource Advisory Services or the integrity of Resource Advisory Services' management. Resource Advisory Services has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Resource Advisory Services is an independent financial planning firm and investment adviser, fully owned by its president, J. David Lewis. It does not own any subsidiaries. Both Lewis and R. Bryan Hankla CFP® have NAPFA-Registered Financial Advisor status. Accordingly, neither Resource Advisory Services nor anyone employed by it is permitted to receive compensation from sources other than its client fees. Likewise, Resource Advisory Services does not pay referral fees or any other form of compensation to others for directing clients to Resource Advisory Services. There are no partnership or joint venture agreements with other financial affiliates.

Item 11 – Code of Ethics

As a fiduciary, Resource Advisory Services has a duty of utmost good faith to act solely in the best interests of each client. Its fiduciary duty compels all employees to act with the utmost integrity at all times. This fiduciary duty is the core principle underlying the Resource Advisory Services Code of Ethics and Personal Trading Policy. In connection with Resource Advisory Services employees being NAPFA-Registered Financial Advisors, every employee will adhere to the NAPFA Fiduciary Oath:

“The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the client. The advisor shall provide written disclosure to the client prior to the engagement of the advisor, and thereafter throughout the term of the engagement, of any conflicts of interest, which will or reasonably may compromise the impartiality or independence of the advisor.

The advisor, or any party in which the advisor has a financial interest, does not receive any compensation or other remuneration that is contingent on any client's purchase or sale of a financial product. The advisor does not receive a fee or other compensation from another party based on the referral of a client or the client's business.”

A. Standards of Conduct

This Code of Ethics consists of the following core principles:

- (1) The interests of clients will be placed ahead of the firm's or any employee's own investment interests.
- (2) Under no circumstances will any employee receive any compensation or other remuneration other than through fees paid by clients to Resource Advisory Services.

- (3) Employees will conduct their personal securities transactions in accordance with the Personal Trading Policy and will avoid any actual or perceived conflict of interest with clients. In every situation where there might be perceived conflict of interest, the employee will inform the client of the relevant circumstances, in language the client can clearly understand, taking into account the client's ability to comprehend the issues. Employees with questions regarding the appearance of a conflict of interest will consult with the Chief Compliance Officer, J. David Lewis, before taking action that may result in an actual conflict of interest.
- (4) Employees will not take inappropriate advantage of their position with the firm.
- (5) Employees will act in the best interest of each client, always favoring the client's interests above the interests of Resource Advisory Services or its employee.
- (6) Employees are expected to comply with all federal securities laws.

B. Protection of Material Nonpublic Information

As more fully discussed within the Resource Advisory Services **Privacy Policy**, employees are expected to exercise diligence and care in maintaining and protecting each client's nonpublic, confidential information.

Employees are also expected to not divulge information regarding Resource Advisory Services' securities recommendations or client securities holdings to any individual outside of the firm, except:

- (1) As necessary to complete transactions or account changes (for example, communications with brokers and custodians);
- (2) As necessary to maintain or service a client or his/her account (for example, communications with a client's accountant, lawyer, insurance agent, broker-dealer, trustee, banker, etc.);
- (3) With various service providers (such as technology service providers), where Resource Advisory Services prohibits service providers from disclosing or using confidential information, except as necessary to carry out its assigned responsibilities and only for that purpose; or
- (4) As permitted by law.

C. Personal Conduct

Employees are expected to conduct themselves with the utmost integrity and to avoid any actual or perceived conflict of interest with clients. In this spirit, the following are required of employees:

(1) Acceptance of Gifts

Employees are prohibited from receiving gifts, gratuity, hospitality or other offerings of more than *de minimis* value from any person or entity doing business with Resource Advisory Services or its clients. Resource Advisory Services defines *de minimis* as the typical cost of dinner for two at an elegant restaurant. Under no circumstances will an employee accept any gift that is linked to a client or a group of clients using the products or services of the gift giver.

For purpose of continuing education, Resource Advisory Services employees can be expected, on occasion, to participate in educational events provided by a person or entity doing business with it or its clients. For example, it is acceptable to participate in an educational program that enhances Resource Advisory Services' ability to use services or investment instruments of providers who pays costs for the program, so long as an invitation to the program is not linked to client decisions to use the service or investment instruments. Such programs should devote at least 80% of its time to educational content and the employee should seek specific approval for the program attendance from the Chief Compliance Officer.

(2) Service as Director for an Outside Company

Any employee wishing to serve as director for an outside company (public or private) must first seek the approval of the Chief Compliance Officer. The Chief Compliance Officer, in reviewing the request, will determine whether such service is consistent with the interests of the Resource Advisory Services and its clients. Under no circumstances will any employee be permitted to serve as a director or officer of a firm other than Resource Advisory Services that sells products or services to its clients.

(3) Outside Business Interests

Any employee wishing to engage in business activities outside of Resource Advisory Services' must seek and maintain approval from the Chief Compliance Officer. Under no circumstances will any employee be permitted to engage in outside business activities that sell products or services to its clients. If an employee is permitted to engage in an outside business activity, the employee will report quarterly to the Chief Compliance Officer, in writing, whether the outside business activity does any business with Resource Advisory Services clients and the general activities of the outside business.

(4) Annual Employee Acknowledgement

New employees must acknowledge they have read, understand and agree to comply with this Code of Ethics and Personal Trading Policy. All employees are required to acknowledge as such annually in connection with the firm's annual policy manual acknowledgement process.

Personal Trading Restrictions

Employees are expected to purchase or sell a security for their personal accounts only after trading of that same security has been completed in client accounts, except for mutual funds, ETFs, large-cap equities and liquid corporate, government or municipal bonds. Personal accounts of employees include all accounts for family members living in the employees' household and accounts over which the employee has authority to act. Any employee contemplating a trade to the contrary must consult with the Chief Compliance Officer *before* conducting his or her personal trade. It is the employee's responsibility to know which securities are being traded by the firm. The employee may consult with the Chief Compliance Officer or Compliance Administrator to determine whether a security is an appropriate purchase by the employee.

It is Resource Advisory Services' policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Resource Advisory Services will also not cross trade between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Since Resource Advisory Services has no such dual registration, agency cross transactions are not possible.

Resource Advisory Services' clients or prospective clients may request a complete copy of the firm's Code of Ethics and/or Personal Trading Policy by contacting J. David Lewis at (865) 560-0140 or dlewis@resourceadv.com.

Item 12 – Brokerage Practices

Unless the client directs otherwise, Resource Advisory Services shall primarily recommend that investment management accounts be maintained at Charles Schwab & Co., Inc. (“Schwab”). Resource Advisory Services also manages investments in accounts, which are not eligible for transfer to Schwab - such as 401(k) and 403(b) retirement plans.

Factors Resource Advisory Services considers in recommending Schwab include Schwab’s financial strength, reputation, reporting clarity, trade execution, pricing, research and service. Efficiency of interactions for the client and Resource Advisory Services are also important considerations. Schwab charges brokerage commissions and/or transaction fees for facilitating securities transactions (i.e. transactions fees are charged for certain no-load mutual funds, while commissions are charged for individual equity/debt securities transactions). Schwab’s commission rates are generally considered discounted from customary retail commission rates. However, the commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other custodians and/or broker-dealers.

Schwab enables Resource Advisory Services to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Resource Advisory Services is aware that mutual fund companies generally pay Schwab various fees. These payments between mutual fund companies and Schwab are part of mutual funds’ internal expenses and vary widely. Most are not readily transparent to Resource Advisory Services or its clients. Nevertheless, Resource Advisory Services strives to be aware of mutual fund expenses and their impact on portfolio total returns. Its fiduciary responsibilities to clients guide its efforts to make decisions relative to these fees. The goal is to achieve the best practical balance between total cost to clients and quality of service from Schwab or any other custodian of client assets.

In addition to Resource Advisory Services’ retainer fee, brokerage commissions and/or transaction fees, mutual funds also have internal expenses and fees which are typically expressed in terms of a “expense ratio” (e.g., fund management fees and other fund expenses). Neither Resource Advisory Services, nor its Principals, will receive any portion of the commissions and/or transaction fees charged by Schwab or other designated broker-dealer/custodian, to the client.

The fees charged by Schwab or another broker-dealer/custodian are exclusive of, and in addition to, Resource Advisory Services’ retainer fees for financial planning and investment management. Although the commissions paid by Resource Advisory Services’ clients comply with the Resource Advisory Services’ duty to obtain best execution, a client may pay a commission that is higher than

another qualified broker-dealer might charge to effect the same transaction, particularly for unique transactions. To the best of its ability, Resource Advisory Services determines, in good faith, that commission and fees to broker-dealers/custodians, in aggregate, are reasonable in relation to the value of services received by clients. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness.

In return for effecting securities brokerage transactions through Schwab or any other designated broker-dealer/custodian, Resource Advisory Services may receive certain investment research products and/or services which assist Resource Advisory Services in its investment decision-making process for all its clients. Such benefits will remain in compliance with Section 28(e) of the Securities Exchange Act of 1934. This is the concept of "soft dollar benefits," which Resource Advisory Services does not attempt to allocate among clients. Indeed, Resource Advisory Services' use of research materials available from Schwab is a relatively minor factor compared to other research materials Resource Advisory Services obtains through subscriptions it acquires by paying fees to various research organizations. Resource Advisory Services considers any "soft dollar benefits" of minimal value at best.

Accordingly, Resource Advisory Services will seek competitive cost structures to benefit all clients. It may not necessarily obtain the lowest possible commission rates for specific client transactions. Investment research products and/or services provided by Schwab, when used, will generally benefit all Resource Advisory Services clients, while income derived from Schwab is not allocated in proportion to the benefits Resource Advisory Services perceives flowing to specific clients.

Item 13 – Review of Accounts

Resource Advisory Services maintains systems for continually monitoring relevant public information for investment instruments it purchases for or recommends to clients. The bulk of this research is focused on an evolving list of mutual funds Resource Advisory Services has maintained since near its formation in 1985. Information available for instruments other than mutual funds is monitored in a variety of ways, depending on the nature of non-mutual fund instruments clients may hold.

Data bases of client portfolio information facilitate identifying and understanding the effect of meaningful investment instrument changes on specific clients whose instruments are affected by those changes. At three month intervals, each client's securities holdings are reviewed in the context of that client's Net Worth Statement and other indicators of the client's financial situation. These

reviews are conducted by J. David Lewis and/or R. Bryan Hankla, CFP®. Reports are prepared for each client with narrative discussion of changes in net worth and the effect of investments on changes in the net worth. Other factors that affect the net worth are also discussed. Clients are frequently advised to report any differences between the situation as reported and the situation the client believes it to be.

Clients are provided with transaction confirmation notices and regular summary account statements directly from broker-dealers/custodians for their accounts. Resource Advisory Services frequently advises clients that they should compare reports from Resource Advisory Services with reports from their custodian(s) to insure the two are consistent with each other.

Item 14 – *Client Referrals and Other Compensation*

Resource Advisory Services greatly appreciates referrals by its clients, professional associates and others. However, it does not pay any referral fees or share client fees based on a referral of business to Resource Advisory Service. Its philosophy is that professionals who may accept referral fees, such as an accountant or lawyer, could become more interested in the referral fees they could generate than making a referral that is in the best interest of their client. In effect, that professional is selling a client relationship to another professional. Resource Advisory Services is strictly opposed to this practice for itself and not interested in this sort of business relationship with others.

Neither Resource Advisory Services nor its employees are permitted to receive any compensation or other remuneration that is contingent on clients' purchase or sale of a financial product. The advisor does not receive a fee or other compensation from another party based on the referral of a client or the client's business.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Resource Advisory Services urges clients to carefully review such statements and compare official custodial records to the account statements Resource Advisory Services provides. Notify Resource Advisory Services immediately of any differences. Accuracy of both forms of reporting is extraordinarily important to Resource Advisory Services.

Item 16 – Investment Discretion

Resource Advisory Services normally receives discretionary authority from clients at the outset of advisory relationships, to select the identity and amount of securities to be bought or sold. In all

cases, however, such discretion is to be exercised in a manner consistent with the stated investment planning and methodology discussed in a Recommendations Report and/or later Quarterly Reports, which may modify the course of the investment implementation through time. It is important that clients read and comprehend these reports, to avoid being surprised by trading activity executed by Resource Advisory Service on the client's behalf. Clients are encouraged to communicate with Resource Advisory Services with all concerns about the nature of investing activities contemplated. If a client desires specific investment guidelines and restrictions, those should be discussed orally and must be provided to Resource Advisory Services in writing.

When selecting securities and determining amounts, Resource Advisory Services observes the investment policies, limitations and restrictions of the clients for which decisions are being made. Resource Advisory Services' authority to trade securities may be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments for long periods.

In limited instances, Resource Advisory Services has recommended and facilitated client investment in closely held private companies that are not listed on any securities exchanges. These instruments carry significantly more risk than mutual funds or similar instruments Resource Advisory Services uses in client portfolios on a discretionary basis. Because these are not discretionary transactions, they also require significantly more documentation than other investments Resource Advisory Services uses in client portfolios. Accordingly, it is Resource Advisory Services' responsibility to determine whether such instruments represent appropriate risk and reward characteristics for each client where they are recommended. A key element in making this judgment is counseling each client on an appropriate portion of net worth, total assets and total investments for each such investment. Typically these non-securities investments have been real estate related. Resource Advisory Services intends to seek other such investments for clients whose financial circumstances are their use.

Item 17 – Voting *Client* Securities

As a matter of firm policy and practice, Resource Advisory Services does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Resource Advisory Services may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Resource Advisory Services' financial condition. Resource

Advisory Services has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

As of the date of this Brochure, Resource Advisory Services is not a State-Registered Adviser. It is anticipated that changes in regulations will require that Resource Advisory Services become registered with The State of Tennessee. If/when that registration is required; this Item 19 will be completed.