

Item 1 – Cover Page

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February 4, 2014

This Brochure provides information about the qualifications and business practices of ARK Financial Services, LLC (“ARK”). If you have any questions about the contents of this Brochure, please contact us at (301) 656-4100. 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.

ARK 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 ARK also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for ARK is 118257.

Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The most recent update of our brochure was 02/04/2014 and we did not have any material changes as part of this update.

There were no changes made to our Brochure since the Firm's last Annual Update Amendment in 2013.

(Brochure Date: 02/04/2014)

(Date of Most Recent Annual Updating Amendment: 02/04/2014)

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 Andrew Kline, Managing Member and Chief Compliance Officer at (301) 656-4100.

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Item 4 – Advisory Business

ARK is owned by Andrew Kline and has been providing advisory services since 2002.

As of December 31, 2013, ARK managed \$94,905,140 on a discretionary basis and \$27,684,139 on a nondiscretionary basis for a total Assets Under Management of \$122,589,279.

Investment Management Services

ARK manages investment portfolios for individuals, qualified retirement plans, trusts and small businesses. ARK will work with the client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. ARK uses investment and portfolio allocation software to evaluate alternative portfolio designs. ARK evaluates the client's existing investments with respect to the client's investment policy statement. ARK works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by ARK. ARK will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold regular review meetings with the client regarding the account as necessary.

ARK will typically create a portfolio of no-load mutual funds, and may use model portfolios if the models match the client's investment policy. ARK will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. ARK primarily recommends portfolios consisting of mutual funds offered by Dimensional Fund Advisors (DFA). DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover.

Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason. These situations will be specifically identified in the client's Investment Policy Statement (IPS).

ARK manages mutual fund and equity portfolios on a discretionary or nondiscretionary basis. A client may impose any reasonable restrictions on ARK's discretionary authority, including restrictions on the types of securities in which ARK may invest client's assets and on specific securities, which the client may believe to be appropriate.

ARK may also recommend fixed income portfolios to advisory clients, which consist of managed accounts of individual bonds. ARK will request discretionary authority from

advisory clients to manage fixed income portfolios, including the discretion to retain a third party fixed income manager. ARK will prepare a separate Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services.

Pursuant to its discretionary authority, ARK will retain a fixed income securities manager. The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's Fixed Income Investment Policy Statement. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager will obtain ARK's consent prior to the sale of any client securities.

On an ongoing basis, ARK will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. ARK will periodically, and at least annually, review client's investment policy, risk profile and discuss the re-balancing of each client's accounts to the extent appropriate. ARK will provide to investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

In addition to managing the client's investment portfolio, ARK may consult with clients on various financial areas including income and estate tax planning, business sale structures, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things.

Item 5 – Fees and Compensation

In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable.

ARK has contracted with BAM Advisor Services, LLC (BAM), for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. ARK has also contracted with BAM for sub-advisory services with respect to clients' fixed income accounts. ARK pays a fee for BAM services based on management fees paid to ARK on accounts that use BAM Advisor Services. The fee paid by ARK to BAM consists of a portion of the fee paid by clients to ARK and varies based on the total client assets participating in BAM Advisor Services through ARK. These fees are not separately charged to advisory clients.

The specific manner in which fees are charged by ARK is established in a client's written agreement with ARK. Clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which ARK calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date of first trade).

ARK will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to ARK or its designated service provider, BAM, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third party administrators will calculate and debit ARK's fee and remit such fee to ARK.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

ARK's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These fees will generally include a management fee and other fund expenses. All fees paid to ARK for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to ARK's fee, and ARK shall not receive any portion of these commissions, fees, and costs.

Advisory Fees

The annual fee for investment management services will be charged as a percentage of assets under management, according to the schedule below:

Assets under management	Annual Fee (%)
Up to \$500,000	1.25%
Next \$500,000	0.90%
Next \$1MM	0.80%
Next \$1MM	0.70%
Next \$2MM	0.50%
Amounts \$5,000,001 or greater	0.40%

Clients with a more complex financial situation and additional outside investment managers may desire a more comprehensive service arrangement. ARK will provide investment oversight of all investment accounts as well as regular review of other aspects of the client's financial affairs. This includes but is not limited to: cash flow review, insurance review, employee benefits review, and estate/tax planning services. In this service arrangement, the above fee schedule is applied to the balance of all investible liquid assets.

Although ARK has negotiated a fixed fee arrangement with a client, it does not generally offer such fee arrangements.

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

ARK 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). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

Item 7 – Types of Clients

ARK provides services to individuals, qualified retirement plans, trusts, and small businesses.

Generally, ARK requires a minimum of \$750,000 of assets under management for Investment Management Services. Client accounts where the total balance of all accounts is

less than \$750,000 will be accepted only on a case by case basis. Minimum account sizes may be negotiable under certain circumstances.

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

Methods of Analysis and Investment Strategy

ARK's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. ARK's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. ARK recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. ARK selects or recommends to clients portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, ARK's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients the investment directly in conservative fixed income securities to represent the fixed income class. ARK's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that ARK's strategy seeks to minimize.

In the implementation of investment plans, ARK therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. ARK may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and ARK may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

ARK's strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

ARK receives supporting research from BAM Advisor Services and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). ARK utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment

philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to ARK.

Analysis of a Client's Financial Situation

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, ARK relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, ARK may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by ARK may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in ARK's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected

Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by ARK may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

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 ARK or the integrity of ARK's management. ARK has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Tax Planning and Tax Compliance Services:

Andrew Kline also provides tax planning and tax compliance services to a limited number of individuals who are legacy clients to his former accounting practice. These fees are billed on an hourly basis. ARK does not accept any new clients for only tax related services.

Andrew Kline may spend as much as 10% of his time with these related activities.

BAM Advisor Services, LLC

As described above in Item 4, ARK may exercise discretionary authority provided by a client to select an independent third party investment manager for the management of portfolios of individual fixed income securities. ARK selects BAM Advisors Services, LLC for such fixed income management. ARK also contracts with BAM Advisor Services, LLC for back office services and assistance with portfolio modeling. ARK has a fiduciary duty to select qualified and appropriate managers in the client's best interest, and believes that BAM Advisor Services, LLC effectively provides both the back office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of ARK continuously makes this assessment. While ARK has a contract with BAM Advisor Services, LLC governing a time period for back office services, ARK has

no such fixed commitment to the selection of BAM Advisor Services, LLC for fixed income management services and may select another investment manager for clients upon reasonable notice to BAM Advisor Services, LLC.

Item 11 – Code of Ethics

ARK has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. ARK's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth ARK's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with ARK may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of ARK that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, ARK requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's principal. ARK also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

ARK's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. ARK requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

ARK will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

It is ARK's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. ARK will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, 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 private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, 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 advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

ARK arranges for the execution of securities transactions with the assistance of BAM Advisor Services. Through BAM, ARK may participate in the Schwab Advisor Services (SAS) program offered to independent investment advisers by Charles Schwab & Company, Inc., member FINRA/SIPC, and the Fidelity Institutional Wealth Services (FIWS) program offered to independent investment advisers, sponsored by Fidelity Brokerage Services, LLC ("Fidelity"), member FINRA/SIPC. Schwab and Fidelity are unaffiliated SEC-registered broker dealers and FINRA member broker dealers.

The Schwab and Fidelity brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. ARK regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to ARK's service arrangements and capabilities, and ARK may not accept clients who direct the use of other brokers. As part of these programs, ARK receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As ARK will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid for mutual fund and equity securities transactions, clients must direct ARK as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that ARK will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific brokers.

ARK will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by ARK on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

SI and FIWS do not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers.

Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While ARK will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

ARK does not have any arrangements to compensate any broker dealer for client referrals.

ARK does not maintain any client trade error gains. ARK makes client whole with respect to any trade error losses incurred by client caused by ARK.

ARK generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which ARK arranges transactions. BAM Advisor Services, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case an ARK client's orders may be aggregated with an order for another client of BAM Advisor Services, LLC who is not an ARK client. See BAM Advisor Services, LLC Form ADV Part 2.

Item 13 – Review of Accounts

Reviews:

Account assets are supervised continuously and formally reviewed quarterly by Andrew Kline, Managing Member of ARK. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third party investment manager as described above in Item 4.

Reports:

All clients will receive quarterly performance reports, prepared by BAM and reviewed by ARK, that summarize the client's account and asset allocation. Clients will also receive monthly statements from their account custodian, which will outline the client's current positions and current market value.

Item 14 – *Client Referrals and Other Compensation*

As indicated under the disclosure for Item 12, SAS and FIWS each respectively provide ARK with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit ARK but may not benefit its clients' accounts. Many of the products and services assist ARK in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of ARK's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of ARK's accounts. Recommended brokers also make available to ARK other services intended to help ARK manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. ARK does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, ARK endeavors to act in its clients' best interests, ARK's requirement that clients maintain their assets in accounts at Schwab or FIWS may be based in part on the benefit to ARK of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

ARK also receives software from DFA, which ARK utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for ARK personnel. These services are designed to assist ARK plan and design its services for business growth.

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. ARK urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

ARK requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For fixed income securities, this authority will include the discretion to retain a third party money manager for fixed income accounts. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, ARK observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to ARK in writing.

Item 17 – Voting *Client* Securities

Proxy Voting: As a matter of firm policy and practice, ARK does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. ARK, however, may provide advice to clients regarding the clients' voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that ARK will neither advise nor act on behalf of the client in legal proceedings involving companies

whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct ARK to transmit copies of class action notices to the client or a third party. Upon such direction, ARK will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 – Financial Information

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