

**Part 2A of Form ADV: Firm Brochure**

Item 1 Cover Page

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March 1, 2017

This Brochure provides information about the qualifications and business practices of Phoenix Financial, Inc. If you have any questions about the contents of this Brochure, please contact us at (919) 929-4448 or [Michele.Nettesheim@RaymondJames.com](mailto:Michele.Nettesheim@RaymondJames.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Phoenix Financial, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Material Changes

Since its last updated amendment of Part 2A of Form ADV (“Firm Brochure”) on October 17, Phoenix Financial Inc. has added two IARs, Georgios Livanos and Mark Rhoades. This Firm Brochure, dated March 1, 2017, has been prepared according to the U.S. Securities and Exchange Commission’s (“SEC”) disclosure requirements.

In lieu of providing clients with an updated Firm Brochure each year, we may provide PFI’s existing advisory clients with a summary describing any material changes occurring since the last annual update of our Part 2A Firm Brochure. In such instances, we will make this delivery to existing clients within 120 days of the close of PFI’s fiscal year. Clients wishing to receive a complete copy of the then-current Part 2A Firm Brochure may request a copy at no charge by contacting Michele Nettesheim at (919) 929-4448.

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## Item 4 Advisory Business

Phoenix Financial, Inc. (“PFI” or “Adviser”) owned by William W. Farley, Jr. has been an investment adviser registered with the Securities and Exchange Commission since 1992. PFI focuses on providing sophisticated financial planning and wealth management services to the exceptional people who make up this community. From business executives and entrepreneurs to scientists and educators, we work with a broad range of clients and meet a wide variety of needs. Drawing on more than 50 years of financial education and industry experience, our team will work with you to define your financial goals, establish the degree of risk you are comfortable with and tailor a wealth strategy designed to achieve lasting well-being.

Presently PFI focuses on providing services mainly to the following types of clients:

- Individuals
- Retirement plans
- Trusts
- Estates
- Corporations

The Adviser typically offers the following investments:

- Equity securities (exchange listed, over-the-counter, ETFs and foreign issuers)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposits
- Municipal securities
- Investment company securities (variable life insurance, variable annuities, and mutual fund shares)
- U.S. government securities
- Options contracts on securities
- Alternative Investments

Advice is tailored to the individual client’s needs through interviews with clients, the collection of important information, and detailed financial planning, as applicable. Clients may be able to impose reasonable restrictions on their accounts. Reasonable restrictions may include the designation of particular securities or types of securities that should not be purchased in their account (i.e. Company XYZ or companies involved in a particular industry, etc.), or should be sold if held in their account. However, in some cases where investment discretion has been delegated to a third-party manager, that manager may determine that the implementation of such a restriction may be impractical. In the event that happens, the client will be notified promptly.

As of December 31, 2016, PFI had the following in assets under management:

Discretionary	Accounts: 686	Assets: \$255,233,000
Non-Discretionary	Accounts: 26	Assets: \$9,275,000
Total	Accounts: 712	Assets: \$264,508,000

### Financial Planning Services

PFI offers a range of financial planning advisory services to its clients. Such services may include a review of all aspects of an individual’s current financial situation, with emphasis on:

- Income tax planning
- Estate tax planning
- Insurance planning
- Investment planning
- Retirement planning, and
- Capital needs planning.

To the extent other services are needed, the Adviser will assist the individual in those areas in which it is competent to give advice.

The process generally begins with an introductory meeting with the Investment Advisory Representative (“IAR”) to discuss the scope of the plan and principal financial objectives of the client. At the client’s request and after a contract has been completed, the IAR would then receive from the client all necessary financial information.

Additional information may be requested before the presentation of the plan. During these initial meetings the IAR will extensively question the client to determine his/her risk background and past investment experience. The written financial plan will present the client’s financial strengths and weaknesses. General areas reviewed may include tax and cash flow planning, retirement planning, debt reduction strategies, educational funding requirements, estate analysis, and alternative investment patterns for either increased return or risk adjustment dependent on the client’s age, assets, and current earned income. PFI uses Goal Planning and Monitoring software to create its financial plans. In addition, the IAR may be asked to furnish analysis for closely held small business owners. The plan should enable the client to determine financial goals and objectives, both long- and short-term.

As a follow-up service, Phoenix Financial, Inc. will, at the client’s request, assist the client in implementing the recommendations, including referral to other practicing professionals (such as attorneys and accountants) whose services may be required.

The client may utilize Phoenix Financial for a single consultation or on a continuous basis at periodic intervals. The client is under no obligation to implement the plan through PFI. Either the client or PFI may terminate the engagement at any time with written notice. The plan is the basic instrument for PFI to know the client and serves as a guideline for offering investment supervisory services.

#### **Other Advisory Services**

The IAR offers a full range of advisory services not directly related to investments. These services include individual financial planning (discussed above), pension plan design and consultation, pension plan participant advisory services, small business financial planning, and seminars for investors.

PFI offers pension planning and plan implementation services to small and medium-sized businesses. Service will address the need of a company to install a comprehensive retirement plan, provide an overview of the various plan design characteristics, and implement the selection of an attorney to draft the pension trust document and the selection of a third party administrator.

#### **Non-Security Related Advice**

PFI’s written financial plan could include advice on family educational needs, insurance needs, and/or retirement planning. This information would outline the scope of the issue as well as financial techniques that could be implemented to fund the need.

#### **Asset Management Services**

A client of Phoenix Financial has several choices of asset management services:

##### **A. Investment Management Program for Advisory Clients (IMPAC)**

Minimum investment: \$25,000 (Certain retirement accounts may be exempted from minimum investment rule. See also Item 7 for information on minimum aggregate account balances)

IMPAC is a non-discretionary (or discretionary, provided certain qualifications are met) account in which the client is provided with ongoing investment advice and monitoring with respect to his or her security holdings. The IAR will manage the account according to the client’s objectives. IMPAC clients will receive the following reports from Phoenix Financial, Inc. on a quarterly basis:

- Portfolio Appraisal
- Allocation Summary
- Rates of Return Reports

In addition, clients will receive monthly statements from Raymond James Financial Services (“RJFS”), Member

FINRA/SIPC showing client account with security positions and income received as well as confirmation of all trades. If a client wishes to be notified before each trade occurs (non-discretionary), then the IAR will notify the client before completing the transaction.

The client may also schedule twice-a-year meetings with PFI to review account allocation and performance relative to their original objectives.

#### B. Passport Account

Minimum investment: \$25,000 (Certain retirement accounts may be exempted from minimum investment rule. See also Item 7 for information on minimum aggregate account balances)

Passport is a non-discretionary (or discretionary, provided certain qualifications are met) account in which the client is provided with ongoing investment advice and monitoring with respect to his or her security holdings. The account is offered by PFI and administered by RJA. The client's IAR will manage the account according to the client's objectives.

The client or PFI may terminate the agreement at any time by providing written notice to the other party. In the event of termination, any prepaid quarterly fee will be refunded to the client, and is prorated from the date of termination to the end of the current quarter. Full disclosure of fees and services is provided in the Passport Account Agreement.

#### C. Ambassador

The Ambassador program is a wrap fee investment advisory account offered and administered by PFI. Your IAR will manage your account on a non-discretionary basis (or discretionary, provided that your IAR has met certain qualifications), according to your objectives. PFI receives a portion of the fee. This account offers you the ability to pay an asset based advisory fee which includes transaction costs within the advisory fee in lieu of a commission for each transaction. For further information refer to the RJA Wrap Fee Program Brochure.

Michael Jackson, CFA, an IAR of Phoenix Financial, currently manages a discretionary Ambassador model in which the client may choose to invest. This account is composed of common stocks selected by Mr. Jackson after review by Bill Farley.

There is a minimum investment of \$50,000 for Ambassador accounts.

Your Agreement may be terminated by you or us at any time upon providing notice pursuant to the provisions of your Agreement. In the event of termination of your Agreement, we will refund to you the prorated portion of the fee for the quarter of termination. There is no penalty for terminating your account.

#### **WRAP FEE PROGRAMS NOT OFFERED DIRECTLY FROM PFI**

#### D. Raymond James Consulting Services

Raymond James Consulting Services ("RJCS"), a division of Raymond James & Associates, Inc. ("RJA"), Member NYSE/SIPC, selects portfolio managers ("sub-advisers") for the RJCS program, establishes custodial facilities, monitors performance of client accounts, provides clients with accounting and other administrative services and assists portfolio managers with certain trading activities. Based upon the client's financial needs and investment objectives, the financial advisor assists the client in selecting the appropriate sub-adviser(s). The Investment Management Agreement is solely between RJA and the client, and there is no direct agreement between the sub-adviser and the client. Clients may contact the sub-adviser, but generally do so through their financial advisor or the RJCS Client Services Department. There generally is a minimum investment of \$100,000 for all equity and balanced accounts, and \$200,000 for most fixed income accounts, although smaller accounts may be accepted based upon the specific circumstances of an account.

Clients are provided standardized information on each sub-adviser prior to entering into the Investment Management Agreement. Potential sub-advisers are considered for the program if they meet the following:

- A well-defined investment style
- Proven past performance results
- Consistency of portfolio returns
- Risks taken within acceptable bounds of investment objectives
- Complementary philosophy of the sub-adviser with the existing platform sub-advisers.

Other factors considered in the screening process include: low turnover of personnel; in-depth interviews with top personnel; personal visit to the investment manager's office; the size of the firm; review of the firm's current ADV; no naked options, short sales or futures; and a cooperative, open attitude.

After a sub-adviser has been selected to participate in the RJCS program, RJA monitors on a quarterly basis each sub-adviser's activity to ensure they are consistent with the investment discipline and philosophy for which they were originally selected. This review is performed by the Due Diligence Director. Please note, however, that past performance does not guarantee future results.

Clients should be aware that the investment discipline offered by sub-advisers through the RJCS program may be branded under a different name than the same discipline(s) offered through another firm's managed account program.

#### E. Freedom

The Freedom Account is an investment advisory account which allocates your assets, through discretionary mutual fund or exchange traded fund ("ETF") management, based upon your financial objectives and risk tolerances. You appoint RJA as your investment adviser to select the representative funds and monitor their performance on a continuing basis. Your IAR receives a portion of the fee for services provided under the agreement. For further information refer to the RJA Wrap Fee Program Brochure.

#### F. Freedom UMA

The Freedom UMA Account is an investment advisory account which, like the Freedom account, allows you to allocate your assets through discretionary mutual fund or ETF management, based upon your financial objectives and risk tolerances. Additionally, your assets may be invested through affiliated or unaffiliated investment advisers ("Managers") registered with the SEC with which RJA has entered into a sub-advisory agreement. Your IAR receives a portion of the fee for services provided under the agreement. For further information refer to the RJA Wrap Fee Program Brochure.

### **ADDITIONAL DISCLOSURES ABOUT IMPAC AND AMS PROGRAMS:**

#### Investment of Cash Reserves

Raymond James has established a system in which cash reserves "sweep" daily to and from your investment account to cover purchases or to allow excess cash balances to immediately begin earning interest, subject to certain minimum balances. The account in which these cash reserves are held is considered the your sweep account. Available sweep options include the Raymond James Bank Deposit Program ("RJBDP"), and a proprietary class of money market funds (the "Eagle Class - JP Morgan Money Market Funds") of the JP Morgan Prime Money Market Fund and JP Morgan Tax Free Money Market Fund, managed by J.P. Morgan Investment Management, Inc. ("J.P. Morgan") and offered by Eagle. You may select RJBDP, the Eagle Class-JP Morgan Money Market Funds, or any combination thereof.

With respect to cash reserves of advisory client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation

("FDIC") and Securities Investor Protection Corporation ("SIPC")). The custodian may change an investment option at any time by providing you with thirty (30) days advance written notice of such change, modification or amendment.

If you select the RJBDP option, you are responsible for monitoring the total amount of deposits held at each Bank in order to determine the extent of FDIC insurance coverage available. Raymond James is not responsible for any insured or uninsured portion of your deposits at any of the Banks.

Raymond James Bank and the interest rate it offers may differ from the yield on the Eagle Class - JP Morgan Money Market Funds, but Raymond James Bank generally earns more than the interest it pays on such balances. The Eagle Class - JP Morgan Money Market Funds are offered by Eagle through an agreement with J.P. Morgan. Under the agreement, Eagle, Eagle Fund Services, Inc. and Eagle Fund Distributors, Inc. (together, the "Eagle Affiliates"), and Raymond James and its affiliate RJFS are compensated by the Eagle Class - JP Morgan Money Market Funds and J.P. Morgan for, among other things, distribution costs, shareholder record-keeping activities, and the coordination and administration of the funds. The income earned by the Eagle Affiliates and Raymond James is in addition to the asset-based fees that Raymond James receives from these accounts.

Where an unaffiliated third party acts as custodian of account assets, you and/or the custodian will determine where cash reserves are held.

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are transferred automatically on a daily basis to your cash sweep account. When securities are sold, funds are deposited on the day after settlement date. Funds placed in your account by personal check usually will not be transferred to the sweep account until the second business day following the day that the deposit is credited to your investment account. Due to the foregoing practices, Raymond James may obtain federal funds prior to the date that deposits are credited to the your investment account and thus may realize some benefit because of the delay in transferring such funds to their interest-bearing cash sweep account.

For further information, please refer to "The Raymond James Cash Sweep Programs" brochure, a copy of which is available from your IAR, or you may visit the Raymond James public website:

[http://www.raymondjames.com/cash\\_sweep.htm](http://www.raymondjames.com/cash_sweep.htm).

#### Cash Rule Conflict

Participants in the IMPAC, Passport and Ambassador programs with cash or money market investments which exceed 20% of the total market value of client's account at the time of billing will be included for fee purposes only if the account did not exceed 20% in cash or money market investments at the end of the last three consecutive quarters. Otherwise the balance in excess of 20% will not be included in the value of Client's account for fee purposes. This fee billing provision is intended to equitably assess advisory fees to client assets for which an ongoing advisory service is being provided, and the exclusion of excess cash from the advisory fee is intended to benefit clients holding substantial cash balances (as a percentage of the total individual account value) for an extended period of time. However, this provision may pose a financial disincentive to an IAR, as the portion of cash or money market investments will not be included in the asset-based fee charged to the account. This may cause an IAR to reallocate a client account from cash or money market investments to advisory fee eligible investments in order to avoid the application of this provision and therefore receive a fee on the full asset value in a client's account(s).

Clients should understand that the annual advisory fees charged in the IMPAC, Passport and Ambassador programs are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that a client intends to hold fund shares for an extended period of time, it may be more economical for the client to purchase fund shares outside of these programs. Clients may be able to purchase mutual funds directly from their respective fund families without incurring the Phoenix Financial, Inc.'s advisory fee. When purchasing directly from fund families, clients may incur a front- or back-end sales charge.

Clients should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds (and not Phoenix Financial, Inc.) to deter



“market timers” who trade actively in fund shares. Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees, which may increase the overall cost to the client by 1%-2% (or more), are available in each fund’s prospectus.

Clients should also understand that certain no-load variable annuities may be offered in the IMPAC, Passport and Ambassador programs and may be charged an advisory fee. The annual advisory fees charged for these no-load variable annuities are in addition to the management fees and operating expenses charged by the insurance companies offering these products.

Clients should also understand that more sophisticated investments such as short sells and margins may be offered in the IMPAC, Passport and Ambassador programs. Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on a client’s statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where an IAR may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

A client’s total cost of each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors may include the client’s ability to:

- 1) obtain the services provided within the programs separately with respect to the selection of mutual funds,
- 2) invest and rebalance the selected mutual funds without the payment of a sales charge, and
- 3) obtain performance reporting comparable to those provided within each program.

When making cost comparisons, clients should be aware that the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or the client otherwise may not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or the client otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

PFI believes the charges and fees offered within each fee-based program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

Clients that terminate the advisory agreement(s) within the first five (5) business days of entering into the advisory agreement will have any advisory fees that were charged refunded back to them.

All quoted fees may be negotiated within the stated fee schedule; however certain circumstances may dictate an exception from the set range.

## Item 5 Fees and Compensation

### Financial Planning Fees:

Fees charged for the full financial planning service are dependent upon the time required and complexity of the plan. The fees are payable as follows: hourly rates for plan development or consultation are \$175 per hour, fixed fees for plans will run between \$200 and \$2,000 depending on the complexity and comprehensiveness of the plan.

Compensation is payable when services are rendered.

Specific services and amount of fees are described in the Investment Advisory Agreement.

All fees are negotiable. A client may be asked for a deposit of \$250 as a retainer at the time a financial planning contract is signed. A client may receive a refund at any time by submitting a written request.

In addition to providing individual financial planning and investment advisory consulting services to individuals and corporations, we may also provide advice and consultation to retirement plan sponsors and pension plans. Services rendered may include, but are not necessarily limited to, the development of a documented investment process, asset allocation, research and investment recommendations, plan participant education, investment or investment manager performance monitoring, and guidance to the plan sponsors on its fiduciary obligations to plan participants. In providing these services, we may act as a fiduciary as defined under Section 3(21)(A)(ii) of ERISA, but will serve in such capacity only with respect to the provision of ERISA-defined investment advice.

### Asset Management Fees:

**IMPAC.** IMPAC is a fee-based account. Annual fees charged can range from 2.25 to 1.00%. Fees are subject to reduction based upon the size of the account and the nature of the services provided. The client is provided with ongoing investment advice and monitoring of securities holdings. The IAR will manage the account on a non-discretionary basis (or discretionary, provided certain qualifications are met), according to the client's objectives. The client may pay transactions fees as noted below.

### Security Type Processing Fees

Security Type	Processing Fee
Exchange Traded Equities: Listed and OTC (common & preferred)	\$9.95
Open End Mutual Funds (applicable to purchases only)*	
Participating Funds	Waived
Partner Funds	\$30.00
Non-Partner Funds	\$40.00
Closed End and Exchange Traded Funds	\$9.95
Real Estate Investment Trusts/Unit Investment Trusts	\$9.95

\* Select fund companies have agreed to pay administrative fees to RJA in consideration for RJA's waiver of the \$30 Processing Fee assessed on certain IMPAC Account mutual fund purchases ("Participating Funds"). In addition to the foregoing Processing Fee, you will incur a charge in the amount of \$5.95 per transaction for handling charges. Raymond James financial advisors do not receive any part of these payments. For a list of fund companies that have agreed to pay Raymond James servicing fees for eligible purchases of Participating Funds, please contact Phoenix Financial by phone at (919) 929-4448 or by sending a written request to: Phoenix Financial, Inc., 100 Europa Dr., Ste 390, Chapel Hill, NC 27517.

Mutual funds may incur expenses for portfolio management services and fund administrative services. These expenses are disclosed in the mutual fund prospectus. Mutual fund 12b-1 fees are credited back to the applicable client's account on a quarterly basis. A full description of fees and services is provided in the IMPAC Agreement that is needed to open an account.

Fees are paid quarterly for the past quarter's holding period and clients receive quarterly billing statements. Clients may either arrange to pay by check made payable to RJFS or authorize RJFS to deduct fees from the client's account. RJFS then pays Phoenix Financial, Inc. a previously agreed-upon portion of the fees net of charges for services such as custody, trading, mailing, and reporting.

Transaction costs are clearly indicated on trade confirmations.

**Passport.** Passport is also a fee-based account. The annual advisory fees for this program range from 2.25% to 1.00%. Fees are subject to reduction based upon the size of the account and the nature of the services provided. There is a nominal transaction charge for executing trades as noted below.

#### Security Type Processing Fees

Security Type	Processing Fee
Exchange Traded Equities: Listed and OTC (common & preferred)	\$9.95
Open End Mutual Funds (applicable to purchases only)*	
Participating Funds	Waived
Partner Funds	\$30.00
Non-Partner Funds	\$40.00
Closed End and Exchange Traded Funds	\$9.95
Real Estate Investment Trusts/Unit Investment Trusts	\$9.95

\* Select fund companies have agreed to pay administrative fees to RJA in consideration for RJA's waiver of the \$30 Processing Fee assessed on certain IMPAC Account mutual fund purchases ("Participating Funds"). In addition to the foregoing Processing Fee, you will incur a charge in the amount of \$5.95 per transaction for handling charges. Raymond James financial advisors do not receive any part of these payments. For a list of fund companies that have agreed to pay Raymond James servicing fees for eligible purchases of Participating Funds, please contact Phoenix Financial by phone at (919) 929-4448 or by sending a written request to: Phoenix Financial, Inc., 100 Europa Dr., Ste 390, Chapel Hill, NC 27517.

Mutual funds may incur expenses for portfolio management services and fund administrative services. These expenses are disclosed in the mutual fund prospectus.

Fees are paid quarterly in advance. The first invoice is issued when the account is established, and is prorated to the end of the current quarter. Thereafter, fees are calculated based upon the fair market value of the account as of the last business day of the previous quarter. In the event of termination, any prepaid quarterly fee will be refunded to the client, and is prorated from the date of termination to the end of the current quarter. A full description of fees and services are provided in the PASSPORT Agreement that is needed to open an account.

Mutual fund 12b-1 fees are credited back to the applicable client's account on a quarterly basis.

**Ambassador.** The advisory fees for Ambassador accounts are as follows: (All fees are incremental)

Account Value	Annual Fee
First \$500,000	2.50%
Next \$500,000	2.00%
Next \$4,000,000	1.50%
> \$5,000,000	1.25%

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. If cash or securities, or a combination thereof, amounting to at least \$100,000 are deposited to or withdrawn from your account on an individual business day in the first two months of the quarter, Raymond James will: (i) assess asset-based fees based on the value of the assets on the date of deposit for the pro rata number of days remaining in the quarter, or (ii) refund prepaid asset-based fees based on the value of the assets on the date of withdrawal for the pro rata number of days remaining in the quarter. No additional asset-based fees or adjustments to previously assessed asset-based fees will be made in connection with deposits or withdrawals that occur during the last month of the quarter unless requested by you. You authorize and direct RJA as Custodian to deduct asset-based fees from your account. You further authorize and direct the Custodian to send a quarterly statement to you which shows all amounts disbursed from your account, including fees paid to RJFSA. You understand that you will be provided a brokerage statement, at least quarterly, showing all amounts disbursed from your account, including the amount of the asset-based fee, the Account Value of the assets

on which the fee was based, and the manner in which the fee was calculated.

The asset-based fees associated with this account include all execution and clearing charges except: (1) certain dealer-markups and odd lot differentials, transfer taxes, exchange fees mandated by the Securities and Exchange Act of 1934 and any other charges imposed by law with regard to any transactions in the account; and (2) offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus.

You may also incur charges for other account services provided by RJA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or transfers of securities.

**RJCS.** Clients may negotiate asset-based fee and/or commission rates with their financial advisor, and such a decision is at the discretion of the financial advisor. Factors involved in this negotiation may include the nature and size of the overall client relationship with the financial advisor, the level and type of advisory or other financial services being or expected to be provided, and Raymond James' or its affiliates' policy with respect to discounts. The client understands that unless a lower rate has been negotiated, they should expect that Raymond James or its affiliate(s) will charge fees based upon the applicable standard fee schedule detailed below for each account program. While the asset-based fees are negotiable, the fee schedule's asset-level breakpoints and each applicable incremental fee rate may not be modified in any way.

For the RJCS programs, the client may elect either an all-inclusive wrap fee or pay a management fee and commissions.

In addition to the management fee, the client will pay a commission on each transaction to their selected broker-dealer. Clients may negotiate commission rates with their financial advisor, and such decision is at the sole discretion of the financial advisor.

Clients may also incur charges for other account services provided by RJA not directly related to the advisory, execution and clearing services provided including, but not limited to, IRA custodial fees, safekeeping fees, and fees for legal or courtesy transfers of securities.

**Freedom.** The advisory fees for Freedom accounts are as follows: (All fees are incremental)

<b>Account Value</b>	<b>Annual Fee</b>
First \$500,000	2.25%
Next \$500,000	1.75%
Next \$4,000,000	1.25%
> \$5,000,000	1.00%

There is a minimum investment of \$50,000 for most Freedom Strategies, with the exception of Retirement Income Solution Strategies which are \$100,000 and Foundation Strategies which may be opened with a \$5,000 minimum investment.

**Freedom UMA.** The advisory fees for Freedom UMA accounts are as follows: (All fees are incremental)

<b>Account Value</b>	<b>Annual Fee</b>
First \$500,000	3.00%
Next \$500,000	2.50%
Next \$4,000,000	2.00%
> \$5,000,000	1.50%

The minimum investment for Freedom UMA Strategies ranges from \$300,000 to \$1,000,000 for individual accounts. For Institutional Strategies, the minimum investment is \$3,000,000.

#### **GENERAL INFORMATION ON COMPENSATION**

In certain circumstances, fees, account minimums and payment terms are negotiable within reason.

Related accounts may be grouped for fee calculations.

Fees are calculated as described above, and not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

All fees paid to PFI for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees will generally include a management fee, other fund expenses and a possible distribution fee. Mutual funds purchased by Phoenix Financial for a client account will be executed at NAV. Accordingly, the client should review the prospectus of a mutual fund regarding fees charged by the funds in conjunction with fees charged by Phoenix Financial to fully understand the total amount of fees to be paid by the client, and to thereby evaluate the advisory services being provided.

Phoenix Financial Inc.'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, 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

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

Item 12 further describes the factors that PFI considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

IARs of the Adviser may receive other forms of compensation as a part of business activities unrelated to the Firm. These activities may create a conflict for the IAR. However, the Adviser has policies and procedures in place to recognize and appropriately deal with any conflicts that arise between the IAR's multiple capacities. These activities are discussed in *Item 10 Other Financial Industry Activities and Affiliations*.

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## **Item 6 *Performance-Based Fees* and Side-By-Side Management**

PFI does not have performance- based fees or utilize side-by-side management (fees based on a share of capital gains on or capital appreciation of the assets of a client). The only fees charged to Client are noted in *Item 5 Fees and Compensation*, as applicable.

## Item 7 Types of *Clients*

Presently PFI focuses on providing services mainly to the following types of Clients:

- Individuals
- Retirement plans
- Trusts
- Estates
- Corporations

The Adviser may require a minimum aggregate account balance of \$100,000.00 for account relationships at its sole discretion.

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

### Methods of Analysis

PFI uses the following methods of analysis in its Client accounts:

- Fundamental
- Charting
- Technical

Fundamental analysis and charting deal with the examination of all the material factors of the security, the company, industry in which the company operates, and the economy while technical analysis and cycles deal with the examination of the supply and demand of the securities as evidenced by market activity.

The potential risks of using Fundamental/Charting are that the IAR is utilizing historical information, which may not predict the future outcome of a security. The potential risks of using Technical/Cyclical are the quality of the information being utilized to support the analysis and no expectation of a change to a cycle.

The Adviser receives research from a variety of sources, including RJA and sources available for public viewing such as:

- Financial newspapers and magazines
- Research materials prepared by others
- Corporate rating services
- Annual reports, prospectuses, filings with the Securities Exchange Commission, and
- Company press releases

### Investment Strategies

The Adviser typically employs the following types of investment strategies:

- Long term purchases (held for more than a year)
- Short term purchases (held for less than a year)
- Margin transactions
- Option writing

Clients investing in securities should be aware of the risks involved. Each investment strategy may entail unique risks including the possibility of incurring a loss. In a long term investment strategy, returns may be adversely affected by market downturns or inflation. A short term investment strategy is susceptible to current market volatility. Margin transactions could be subject to maintenance margin requirements, and margin loans must be repaid regardless of the underlying value of the securities purchased. Options writing has several kinds of risks. An options holder may risk the entire amount paid for the option. An options writer may be assigned the option at any time during which the option is exercisable. Losses in options contracts may be significant.

PFI typically recommends the following types of investments:

- Equity securities (exchange listed, over-the-counter, ETFs and foreign issuers)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposits
- Municipal securities
- Investment company securities (variable life insurance, variable annuities, and mutual fund shares)
- U.S. government securities
- Options contracts on securities



## Item 9 Disciplinary Information

PFI and its IARs do not have any disciplinary history.

## Item 10 Other Financial Industry Activities and Affiliations

The Adviser has five (5) IARs: William W. Farley, Jr., Georgios Livanos, Mark Rhoades, Michele Nettesheim, and Michael Jackson. Certain professionals of Phoenix Financial are Registered Representatives of Raymond James Financial Services, Inc. (RJFS) and licensed agents of various insurance companies as described below:

### Securities Brokerage (William W. Farley, Jr., Georgios Livanos, and Mark Rhoades)

Registered Representatives, through their affiliation with RJFS, may receive commissions generated through the buying and selling of securities. In addition, the IA rep may receive fees through RJFS if the client enrolls in the IMPAC or Passport programs (please read specific contract information). The IAR may recommend a third party asset manager who has a direct affiliation with RJFS or a contractual relationship with RJA. RJFS will pay the broker, who is the IAR, fees or commissions as stated in the contract the client signs with that third party manager. The IAR may also receive 12(b)-1 fees on certain mutual funds.

Commission charges may vary depending upon any number of factors, including type of security, purchase or sale, secondary market price, volume of trading, market float, and traded or listed exchange. The Adviser believes that commissions charged by RJFS are competitive with other full service broker-dealers and that they are fair and reasonable. Commissions charged by RJFS, while generally competitive, are not necessarily the lowest in the industry. Brokerage transactions are placed only through RJFS. There is an inherent potential conflict of interest in this arrangement in that PFI through its IARs or related persons who are Registered Representatives of RJFS may share in a percentage of the brokerage commissions.

### Insurance Broker/Agent (William Farley, Jr., Georgios Livanos, and Mark Rhoades)

PFI and its IARs or related persons may have insurance company affiliations from which they receive commissions. Clients are under no obligation to execute recommendations relating to insurance and/or annuity products through the Adviser.

Mr. Farley, Mr. Livanos, and Mr. Rhoades spend approximately 20% of their time on the above activities.

### The Broadview Group (Georgios Livanos and Mark Rhoades)

The Broadview Group LLC is a North Carolina Partnership owned by Georgios Livanos and Mark Rhoades. The purpose of the Broadview Group is to allow Livanos and Rhoades to conduct commission based business through their affiliation with Raymond James Financial Services, Inc. ("RJFS"). Certain products that are only offered through their affiliation with RJFS charge a commission versus a fee to the client. Those earnings are held within the Broadview Group. This arrangement allows Broadview to pay expenses the partnership incurs in providing services to their clients, including staff salaries, occupancy costs and other items associated with the operation of their business. Livanos and Rhoades received a Transition Assistance Loan/Bonus and a repayable loan from RJFS to offset expenses incurred in their move to Phoenix Financial.

Phoenix Financial, Inc. has no ownership interest in the Broadview Group. Phoenix Financial, Inc. does supply facilities and services to Rhoades and Livanos. They use the Broadview Group to reimburse Phoenix Financial for those services. Livanos and Rhoades are both registered representatives of Raymond James Financial Services, Inc.

As employees, Livanos and Rhoades also offer investment services and discretionary money management through Phoenix Financial. They are compensated directly by Phoenix Financial for those services to their clients.

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

From time to time employees of PFI may own securities or mutual funds that are also recommended to clients. Because of this commonality of interest, Phoenix Financial has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Phoenix Financial must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of PFI will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between PFI and its clients.

PFI's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Michele Nettesheim at (919) 929-4448.

## Item 12 Brokerage Practices

The Adviser currently uses Raymond James as its custodian. Additionally, IARs are registered representatives of RJFS and will recommend RJFS to advisory clients for plan implementation and brokerage services. These individuals are subject to FINRA Conduct Rule 3040 that restricts them from conducting securities transactions away from RJFS. Therefore, clients are advised that such IARs are limited to conducting securities transactions through RJFS. It may be the case that RJFS charges a higher fee than another broker charges for a particular type of service, such as transaction fees. Clients may utilize the broker dealer of their choice and have no obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS, the IAR will reserve the right not to accept the account.

The custodian may have their own fee and cost schedules they are entitled to as a custodian of the account. These fees and costs are completely independent of the Adviser, and the Adviser does not receive any portion of these collected costs. Please see *Item 5 Fees and Compensation* for these costs.

RJA, as the custodian, is obligated to seek best execution for all trades; however, better executions may be available via another broker/dealer based on a number of factors including volume, order flow, and market making activity. By executing transactions with the above custodian, it is not guaranteed that a client will receive the most favorable execution of their trades, which in turn may cost clients more money.

PFI continuously reviews the accuracy, timeliness and execution of trades processed through RJFS. The Adviser selected RJFS for client account custody and trade processing due to accessibility, electronic trading, efficient and professional service, technical support, and timely reporting to clients. In addition, client funds are fully covered through the excess SIPC coverage maintained by RJFS. RJFS prohibits the Adviser from utilizing any other broker-dealer for client custody or securities trading. The Adviser periodically assesses the quality and value of the services offered by broker-dealers other than RJFS to assure that RJFS service and cost is fair and reasonable.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with PFI's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. The Adviser will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

The Adviser's IARs and related persons may receive research information through its broker-dealer affiliation on securities, market, and economic conditions. Raymond James does not impose surcharges on clients for research. However, Raymond James does seek to do investment banking and other business with some companies covered by its research. Raymond James complies with all securities laws and regulations to manage these potential conflicts of interest. Additionally, Raymond James does not require that IARs or related persons recommend any securities to clients.

It is PFI's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Phoenix Financial will also not cross trades 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.

PFI has no soft dollar arrangements.

## Item 13 Review of Accounts

The review process only includes those clients who have entered into an investment advisory contract with Phoenix Financial, Inc. Client accounts are reviewed regularly by an investment committee which includes William W. Farley, Jr., Georgios Livanos, Mark Rhoades, Michael Jackson and Michele Nettesheim. A monthly review may include balancing an account from the instructions received from the client. In addition, at the end of the year accounts are reviewed for unrealized gains and losses and the client would be notified on issues in the various portfolios. Portfolios in the aggregate are reviewed monthly for rates of return on individual issues.

The primary responsibility for client reviews is with William W. Farley, Jr., President and Chief Compliance Officer of Phoenix Financial, Inc. Other registered reps are employed who are responsible for handling daily trading and confirmations. In addition, other IARs prepare reports on a weekly or monthly basis that are used in the review process. PFI utilizes sophisticated computer systems for assisting in the monitoring process. This system prepares reports allowing PFI to analyze statistics about a client's portfolio.

In addition to the reports mentioned above, clients receive a confirmation of each transaction and periodic statements from their broker-dealer. PFI will issue additional updates or reports at the client's request. Accounts managed on a discretionary basis by IARs may receive quarterly summaries of activity and performance, if specified in the advisory agreement.

## Item 14 *Client Referrals and Other Compensation*

From time to time PFI and/or Raymond James may receive compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as limited partnerships, mutual funds, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to IARs of the Adviser.

If clients act upon IAR advice and chooses to use one of RJFS's affiliates as a money manager, custodian or to purchase insurance, the Adviser or its IAR may receive compensation in the form of commissions from the affiliate. If a client chooses to use an IAR in his individual capacity as an insurance agent, the individual IAR will receive a commission. Additionally, if a client purchases a mutual fund containing a 12b-1 fee, the Adviser and the IAR may receive such fee. For advisory accounts, mutual fund 12b-1 fees are credited back to the applicable client's account on a quarterly basis, as explained in *Item 5 Fees and Compensation*.

PFI may have the opportunity to receive traditional "non-cash benefits" from RJFS such as customized statements; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk servicing RJFS's advisors exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access to an electronic communication network for client order entry and account information; access to mutual funds which generally require significantly high minimum initial investments or those that are otherwise only generally available to institutional investors; reporting features; receipt of industry communications; and perhaps discounts on business-related products.

RJFS may also provide general access to research and perhaps discounts on research products. Any research received is used for the benefit of all clients. PFI has no written or verbal arrangements whereby it receives soft dollars.

As part of its fiduciary duties to clients, PFI endeavors at all times to put the interests of its investment advisory clients first. Clients should be aware, however, that the receipt of economic benefits by the Adviser or its related persons in and of itself creates a potential conflict of interest.

PFI does not pay for or receive compensation for client referrals.

## Item 15 Custody

The Adviser does not have custody of client's assets or funds.

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Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client investment assets. PFI urges you to carefully review such statements and compare such official custodial records to the account statements or documents 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

The Adviser may have discretion in some clients' accounts. PFI may only have discretion in an account with written permission from the client. If a client wants to grant discretion in his/her account, the client will give discretion in writing via an investment advisory contract.

PFI usually receives discretionary authority from the client at the outset of an advisory relationship 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 objectives for the particular client account.

When selecting securities and determining amounts, PFI observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to Phoenix Financial, Inc. in writing.



## Item 17 Voting *Client* Securities

PFI does not take any action or render any advice with respect to voting of proxies. Clients should receive their proxy materials from the custodian or transfer agent. However, in the event the Adviser receives such material, it will forward all proxy materials to clients. Furthermore, the Adviser will not advise clients on how to vote their proxies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. The Firm will not determine if securities held by the client are subject to a pending or resolved class action lawsuit. It will not evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the Firm will not initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

## Item 18 Financial Information

Phoenix Financial 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. Furthermore, it does not have custody of clients' assets nor does it seek prepayment of \$500 or more six (6) months or more in advance.

Part 2B of Form ADV: *Brochure Supplement*

Item 1 Cover Page

Phoenix Financial, Inc.  
100 Europa Dr, Ste 390  
Chapel Hill, NC 27517  
(919) 929-4448  
[www.pfinx.com](http://www.pfinx.com)  
March 1, 2017

Firm Brochure Supplement for:  
William W. Farley, Jr., Georgios Livanos, Mark Rhoades,  
Michele Nettesheim and Michael Jackson

**This brochure supplement provides information about William Farley and Michele Nettesheim that supplements the Phoenix Financial, Inc. brochure. You should have received a copy of that brochure. Please contact us at 919-929-4448 if you did not receive Phoenix Financial, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about William Farley and Michele Nettesheim is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Item 2 Educational Background and Business Experience

**William W. Farley, Jr. MBA**

Year of Birth: 1948

Educational Background:

University of North Carolina at Chapel Hill, BA History

University of North Carolina at Chapel Hill, MBA

Business Background:

Phoenix Financial, Inc. President and Chief Compliance Officer 1988 – Present

Raymond James Financial Services, Inc. Registered Representative and Registered Principal 1988 - Present

Licenses Held:

FINRA Series 7, 24, 51 and 63

NASAA Series 65

Life, Accident, and Health Insurance for State of North Carolina

To be a Registered Representative and Registered Principal with Raymond James Financial Services, Inc., Mr. Farley has General Securities Registered Representative (Series 7), Registered Principal (Series 24), and Municipal Fund Principal (Series 51) licenses. He also holds the Series 65 (Uniform Investment Adviser Law exam) registration for Investment Adviser Representatives and life, accident, and health insurance license from North Carolina. All of these licensures require the successful passing of examinations and ongoing continuing education.

**Georgios Livanos**

Year of Birth: 1960

Educational Background:

Farleigh Dickinson University, BS Business Administration

Licenses Held:

FINRA Series 7, 31 and 63

NASAA Series 65

To be a Registered Representative of Raymond James Financial Services, Inc., Mr. Livanos has a General Securities Registered Representative (Series 7) license. He also holds the Series 31 (Futures Managed Funds exam), Series 63 (Uniform Securities Agent State Law exam) and Series 65 (Uniform Investment Adviser Law exam) registrations for Investment Adviser Representatives. All of these licensures require the successful passing of examinations and ongoing continuing education.

**Mark Rhoades, CFP®**

Year of Birth:1968

**Educational Background:**

Florida State University, BA Finance

**Licenses Held:**

FINRA Series 7 and 63

NASAA Series 65

To be a Registered Representative of Raymond James Financial Services, Inc., Mr. Rhoades has a General Securities Registered Representative (Series 7) license. He also holds the Series 63 (Uniform Securities Agent State Law exam) and Series 65 (Uniform Investment Adviser Law exam) registrations for Investment Adviser Representatives. All of these licensures require the successful passing of examinations and ongoing continuing education.

The CFP® (Certified Financial Planner) designation can only be obtained by achieving and complying with several requirements. These current requirements include having at least a bachelor's degree, three (3) years of full time relevant work experience, pass a rigorous examination, complete continuing education, and meet the CFP Board's ethics standards.

**Michele Nettesheim CPA CFP®**

Year of Birth:1967

**Educational Background:**

University of North Carolina at Chapel Hill, BA International Studies

University of North Carolina at Chapel Hill, Masters in Accounting

**Business Background:**

Phoenix Financial, Inc.

Investment Adviser Representative 2004 - Present

Raymond James Financial Services, Inc. Registered Representative 2005 – Present

**Licenses/Certifications Held:**

FINRA Series 7 and 63

NASAA Series 65

Certified Public Accountant

Certified Financial Planner

To be a Registered Representative of Raymond James Financial Services, Inc., Ms. Nettesheim has a General Securities Registered Representative (Series 7) license. She also holds the Series 63 (Uniform Securities Agent State Law exam) and Series 65 (Uniform Investment Adviser Law exam) registrations for Investment Adviser Representatives. All of these licensures require the successful passing of examinations and ongoing continuing education.

In order to obtain a CPA (Certified Public Accountant) designation, a person must earn an accounting degree, gain several years of experience as an accountant, pass a rigorous CPA and ethics examination, and commit to ongoing professional development.

The CFP® (Certified Financial Planner) designation can only be obtained by achieving and complying with several requirements. These current requirements include having at least a bachelor's degree, three (3) years of full time relevant work experience, pass a rigorous examination, complete continuing education, and meet the CFP Board's ethics standards.

**Michael D. Jackson, Chartered Financial Analyst**

Year of Birth: 1973

**Educational Background:**

University of North Carolina at Chapel Hill, BS Business Administration

Wake Forest University, MBA

**Business Background:**

Phoenix Financial, Inc.	Investment Adviser Representative (IAR)	2016 – Present
Raymond James Financial Services, Inc.	Registered Representative (RR)	2016 – Present
Thompson, Davis & Company, Inc.	RR and IAR	2015 – 2016
Hambledon, LLC	Managing Principal and IAR	2013 – 2015
Franklin Street Partners	RR and IAR	2004 – 2013

**Licenses Held:**

FINRA Series 4, 7 and 63

NASAA Series 65

To be a Registered Representative of Raymond James Financial Services, Inc., Mr. Jackson has a General Securities Registered Representative (Series 7) license. He also holds the Series 4 (Registered Options Principal), Series 63 (Uniform Securities Agent State Law exam) and Series 65 (Uniform Investment Adviser Law exam) registrations for Investment Adviser Representatives. All of these licensures require the successful passing of examinations and ongoing continuing education.

**Professional Designation Held:**

Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA) designation is issued by the CFA Institute, formerly known as the Association for Investment Management and Research (AIMR). The CFA Program is a graduate-level program for investment specialists such as securities analysts, money manager, and investment advisers. To become a CFA charterholder, an individual must have at least four years of acceptable professional experience in the investment decision-making process, must pass three sequential, six-hour examinations. Each of the 3 course level exams must be passed and each course level is a self-study program involving approximately 250 hours of study time. There are no continuing education requirements to maintain the CFA designation. CFA charterholders must commit to abide by and annually reaffirm adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

**High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

#### Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

#### Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

Item 3 Disciplinary Information

Neither Mr. Farley, Mr. Livanos, Mr. Rhoades, Ms. Nettesheim nor Mr. Jackson have any disciplinary history.



#### Item 4 Other Business Activities

##### Securities Brokerage

Mr. Farley, Mr. Livanos, Mr. Rhoades, Ms. Nettesheim, and Mr. Jackson are Registered Representatives with Raymond James Financial Services, Inc., and may be paid fees and/or commissions on securities transactions. All commissions are disclosed to clients. However, PFI is solely responsible for all investment advice rendered to clients.

##### Insurance Broker/Agent

Mr. Farley, Mr. Livanos, and Mr. Rhoades may have insurance company affiliations from which they receive commissions. Clients are under no obligation to execute recommendations relating to insurance and/or annuity products through PFI.

The Broadview Group: The Broadview Group LLC is a North Carolina Partnership owned by Georgios Livanos and Mark Rhoades. The purpose of the Broadview Group is to allow Livanos and Rhoades to conduct commission based business through their affiliation with Raymond James Financial Services, Inc. ("RJFS"). Certain products that are only offered through their affiliation with RJFS charge a commission versus a fee to the client. Those earnings are held within the Broadview Group. This arrangement allows Broadview to pay expenses the partnership incurs in providing services to their clients, including staff salaries, occupancy costs and other items associated with the operation of their business. Livanos and Rhoades received a Transition Assistance Loan/Bonus and a repayable loan from RJFS to offset expenses incurred in their move to Phoenix Financial.

Phoenix Financial, Inc. has no ownership interest in the Broadview Group. Phoenix Financial, Inc. does supply facilities and services to Rhoades and Livanos. They use the Broadview Group to reimburse Phoenix Financial for those services. Livanos and Rhoades are both registered representatives of Raymond James Financial Services, Inc.

As employees, Livanos and Rhoades also offer investment services and discretionary money management through Phoenix Financial. They are compensated directly by Phoenix Financial for those services to their clients.

For more information regarding other financial industry activities and affiliations of Phoenix Financial, Inc. or its IARs, please consult the *Firm Brochure*.

## Item 5 Additional Compensation

From time to time Mr. Farley, Mr. Livanos, Mr. Rhoades, Ms. Nettesheim and Mr. Jackson may receive compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as limited partnerships, mutual funds, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to IARs of PFI.

If clients act upon IAR advice and choose to use one of RJFS's affiliates as a money manager, custodian or to purchase insurance, the IAR may receive compensation in the form of commissions from RJFS. If a client chooses to use an IAR in his individual capacity as an insurance agent or broker, the IAR will receive a commission directly. Additionally, if a client purchases a mutual fund, the IAR may receive ongoing commissions for servicing the account as broker.

As part of its fiduciary duties to Clients, PFI endeavors at all times to put the interests of its investment advisory clients first. Clients should be aware, however, that the receipt of economic benefits by PFI or its related persons in and of itself creates a potential conflict of interest.

## Item 6 Supervision

As the owner of Phoenix Financial, Inc. Mr. Farley is ultimately responsible for any advice he renders to clients. He is also responsible for the supervision of all of PFI's IARs and employees, including Mr. Livanos, Mr. Rhoades, Ms. Nettesheim and Mr. Jackson. Any questions regarding the supervision of advisory activities can be directed to him at (919) 929-4448.