

# Philip A. Huss, CPA, PLLC

## Client Brochure

*This brochure provides information about the qualifications and business practices of Philip A. Huss, CPA, PLLC. If you have any questions about the contents of this brochure, please contact us at (804) 423-5694 or by email at: [pahcpa@pahuss.com](mailto:pahcpa@pahuss.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 Philip A. Huss, CPA, PLLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Philip A. Huss, CPA, PLLC's CRD number is: 148127*

110 Wylderose Drive  
Midlothian, Virginia, 23113  
(804) 423-5694  
[pahcpa@pahuss.com](mailto:pahcpa@pahuss.com)

*Registration does not imply a certain level of skill or training.*

Version Date: 3/30/2011

## **Item 2: Material Changes**

Philip A. Huss, CPA, PLLC has not yet filed an annual updating amendment using the ADV Form 2A. Therefore there are no material changes to report.

## Item 3: Table of Contents

### Table of Contents

Item 2: Material Changes .....	i
Item 3: Table of Contents .....	ii
Item 4: Advisory Business .....	1
A. Description of the Advisory Firm .....	1
B. Types of Advisory Services .....	1
Investment Supervisory Services .....	1
Financial Planning .....	1
Services Limited to Specific Types of Investments .....	1
C. Client Tailored Services and Client Imposed Restrictions .....	1
D. Wrap Fee Programs .....	2
E. Amounts Under Management .....	2
Item 5: Fees and Compensation .....	3
A. Fee Schedule .....	3
Investment Supervisory Services Fees .....	3
Financial Planning Fees .....	3
Hourly Fees .....	3
B. Payment of Fees .....	4
Payment of Investment Supervisory Fees .....	4
Payment of Financial Planning Fees .....	4
C. Clients Are Responsible For Third Party Fees .....	4
D. Prepayment of Fees .....	4
E. Outside Compensation For the Sale of Securities to Clients .....	4
Item 6: Performance-Based Fees and Side-By-Side Management .....	4
Item 7: Types of Clients .....	4
Minimum Account Size .....	5
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss .....	5
A. Methods of Analysis and Investment Strategies .....	5
Methods of Analysis .....	5
Fundamental analysis .....	5
Investment Strategies .....	5
B. Material Risks Involved .....	5
Methods of Analysis .....	5

Fundamental analysis.....	5
Investment Strategies.....	5
C. Risks of Specific Securities Utilized .....	6
Item 9: Disciplinary Information .....	6
Item 10: Other Financial Industry Activities and Affiliations.....	6
A. Registration as a Broker/Dealer or Broker/Dealer Representative .....	6
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.....	6
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests .....	6
D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections.....	6
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	7
A. Code of Ethics .....	7
B. Recommendations Involving Material Financial Interests .....	7
C. Investing Personal Money in the Same Securities as Clients.....	7
D. Trading Securities At/ Around the Same Time as Clients' Securities .....	7
Item 12: Brokerage Practices.....	8
A. Factors Used to Select Custodians and/or Broker/Dealers .....	8
1. Research and Other Soft-Dollar Benefits .....	8
2. Brokerage for Client Referrals.....	8
3. Clients Directing Which Broker/Dealer/Custodian to Use.....	8
B. Aggregating (Block) Trading for Multiple Client Accounts .....	8
Item 13: Reviews of Accounts .....	8
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	8
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts .....	9
C. Content and Frequency of Regular Reports Provided to Clients.....	9
Item 14: Client Referrals and Other Compensation .....	9
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes) 9	
B. Compensation to Non –Advisory Personnel for Client Referrals.....	9
Item 15: Custody .....	9
Item 16: Investment Discretion .....	9
Item 17: Voting Client Securities (Proxy Voting).....	10
Item 18: Financial Information .....	10
A. Balance Sheet .....	10
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	10
C. Bankruptcy Petitions in Previous Ten Years .....	10

## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

This firm has been in business since September 16, 2008, and the principal owner is Philip August Huss.

### **B. Types of Advisory Services**

Philip A. Huss, CPA, PLLC (hereinafter "PAH") offers the following services to advisory clients:

#### ***Investment Supervisory Services***

PAH evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. PAH may request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

#### ***Financial Planning***

PAH may provide the following services to their clients; organize the concepts for family limited partnerships, charitable remainder trust, private foundations, dynasty trusts, and relative trusts as well as providing all the accounting and tax work for PAH's clients. PAH may also assist in estate planning (except for legal work which is done by PAH's attorney).

#### ***Services Limited to Specific Types of Investments***

PAH limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, REITs, private placements, and government securities. PAH may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

However, specific client financial plans and their implementation are dependent upon each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent PAH from properly servicing the client account, or if the restrictions would require PAH to deviate from its standard suite of services, PAH reserves the right to end the relationship.

#### **D. Wrap Fee Programs**

PAH does not participate in any wrap fee programs.

#### **E. Amounts Under Management**

PAH has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$6,900,000.00	\$94,200,000.00	01/26/2011

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
All Assets Under Management (except concentrated positions for Clients that are defined as "Insiders")	0.40%

Clients that are defined as "Insiders"  
Who have Stock and Stock Options from  
Their Company Fee Schedule:

Total Assets Under Management	Annual Fee
\$0 - \$1,000,000	0.40%
\$1,000,001 - \$10,000,000	0.30%
\$10,000,001 - \$20,000,000	0.20%
\$20,000,001 - \$30,000,000	0.10%
\$30,000,001 and Above	0.05%

These fees are negotiable and the final fee schedule is attached in the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

#### *Financial Planning Fees*

##### *Hourly Fees*

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is between \$250 and \$300. The fees are negotiable and the final fee schedule will be attached in the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

## **B. Payment of Fees**

### *Payment of Investment Supervisory Fees*

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears.

### *Payment of Financial Planning Fees*

Hourly Financial Planning fees are paid via check or credit card in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

## **C. Clients Are Responsible For Third Party Fees**

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

## **D. Prepayment of Fees**

PAH collects its fees in arrears. It does not collect fees in advance.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither PAH nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

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

## **Item 7: Types of Clients**

PAH generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ High-Net-Worth Individuals



### *Minimum Account Size*

There is no account minimum.

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

### **A. Methods of Analysis and Investment Strategies**

#### *Methods of Analysis*

PAH's primary method of analysis includes fundamental analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

#### *Investment Strategies*

PAH uses long term trading, short term trading and margin transactions strategies.

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

### **B. Material Risks Involved**

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

#### *Investment Strategies*

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading and margin transactions generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

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

### **C. Risks of Specific Securities Utilized**

PAH generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it may utilize margin transactions which generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies.

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

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

## **Item 10: Other Financial Industry Activities and Affiliations**

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

Neither PAH nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

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

Neither PAH nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

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

Philip August Huss is a certified public accountant. From time to time, he will offer clients advice or products from those activities. PAH always acts in the best interest of the client.

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

PAH does not utilize nor select other advisors or third party managers. All assets are managed by PAH management.

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

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from PAH.

### **B. Recommendations Involving Material Financial Interests**

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

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of PAH may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of PAH to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. PAH will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

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

From time to time, representatives of PAH may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of PAH to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients.

## **Item 12: Brokerage Practices**

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

The Custodian was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. PAH will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

#### **1. *Research and Other Soft-Dollar Benefits***

PAH receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

#### **2. *Brokerage for Client Referrals***

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

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

PAH will not allow clients to direct PAH to use a specific broker-dealer to execute transactions. Clients must use PAH recommended custodian (broker-dealer). By requiring clients to use our specific custodian, PAH may be unable to achieve most favorable execution of client transactions and this may cost clients money over using a lower-cost custodian.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

PAH maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

## **Item 13: Reviews of Accounts**

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

Client accounts are reviewed continuously only by Philip August Huss, President. Philip August Huss is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at PAH are assigned to this reviewer.

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

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

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly a written report that details the client's account which may come from the custodian. Philip August Huss meets with his clients regularly and will provide a written report during the meeting which occurs at least semi-annually.

# **Item 14: Client Referrals and Other Compensation**

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

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

## **B. Compensation to Non -Advisory Personnel for Client Referrals**

PAH does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

# **Item 15: Custody**

PAH does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the Custodian.

# **Item 16: Investment Discretion**

For those clients accounts where PAH provides ongoing supervision, the client has given PAH written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides PAH discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

## **Item 17: Voting Client Securities (Proxy Voting)**

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

## **Item 18: Financial Information**

### **A. Balance Sheet**

PAH does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

Neither PAH nor its management have any has no financial conditions that are likely to reasonably impair our his ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

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