

# Philip A. Huss, CPA, PLLC

## Firm 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*

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

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## **Item 2: Material Changes**

Philip A. Huss, CPA, PLLC is transitioning from SEC to State registration since the previous annual amendment.

## 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 .....	4
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 .....	5
Item 9: Disciplinary Information .....	6
A. Criminal or Civil Actions .....	6
B. Administrative Proceedings .....	6
C. Self-regulatory Organization (SRO) Proceedings .....	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.....	7
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 .....	9
Item 13: Reviews of Accounts .....	9
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	9
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.....	10
Item 15: Custody .....	10
Item 16: Investment Discretion .....	10
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 .....	11
C.	Bankruptcy Petitions in Previous Ten Years .....	11
Item 19: Requirements For State Registered Advisers .....		11
A.	Principal Executive Officers and Management Persons; Their Formal Education and Business Background.....	11
B.	Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any) .....	11
C.	How Performance Based Fees are Calculated and Degree of Risk to Clients .....	11
D.	Material Disciplinary Disclosures for Management Persons of this Firm .....	11
E.	Material Relationships That Management Persons Have With Issuers of Securities (If Any) .....	11

## **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 "Philip A. Huss") offers the following services to advisory clients:

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

Philip A. Huss evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Philip A. Huss

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

Philip A. Huss 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 Philip A. Huss's clients. Philip A. Huss may also assist in estate planning (except for legal work which is done by Philip A. Huss's attorney).

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

Philip A. Huss 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. Philip A. Huss 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 Philip A. Huss from properly servicing the client account, or if the restrictions would require

Philip A. Huss to deviate from its standard suite of services, Philip A. Huss reserves the right to end the relationship.

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

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. Philip A. Huss does not participate in any wrap fee programs.

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

Philip A. Huss has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$3,803,756.00	\$43,853,700.00	03/31/30212

## 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" – are those who have Stock and Stock Options from Their Company and the Fee Schedule is as follows:

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 Philip A. Huss. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

Philip A. Huss collects its fees in arrears. It does not collect fees in advance.

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

Neither Philip A. Huss 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**

Philip A. Huss 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**

Philip A. Huss provides investment advice and/or management supervisory services to high-Net-Worth Individuals only.

### ***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*

Philip A. Huss'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*

Philip A. Huss 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**

Philip A. Huss 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.

Philip A. Huss 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. Philip A. Huss may use other securities as well to help diversify a portfolio when applicable.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

**Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Stocks & Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Real Estate** funds face several kinds of risk that are inherent in this sector of the market. Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.

**Hedge Funds** are not suitable for all investors and involve a high degree of risk due to several factors that may contribute to above average gains or significant losses. Such factors include leveraging or other speculative investment practices, commodity trading, complex tax structures, a lack of transparency in the underlying investments, and generally the absence of a secondary market.

**REITs** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

**Private placements** carry a substantial risk as they are largely unregulated offerings not subject to securities laws.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral.

**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**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

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

Philip A. Huss is not a registered representative of a broker/dealer.

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

Philip A. Huss is not 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 and the owner of a CPA firm providing accounting and tax services. Philip August Huss is also a general partner (with one percent ownership) of BHGC, LLC, a real estate management company. Philip August Huss always acts in the best interest of the client.

Philip August Huss is the Sole Trustee of The Hays T. and Betty J. Watkins Charitable Remainder Unitrust; he is also the Co-Trustee of the following trusts; The Hays T. and Betty J. Watkins Irrevocable Trust FBO Hays T. Watkins, IV; FBO Caroline Watkins; FBO

Catherine Watkins; The Hays T. and Betty J. Watkins Family Foundation; and Finlayson Irrevocable Trust and M. B. ARMER TESTAMENTARY Trust.

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

Philip A. Huss does not utilize nor select other advisors or third party managers. All assets are managed by Philip A. Huss 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 PHILIP A. HUSS.

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

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

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

From time to time, Philip A. Huss may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives 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. Such transactions may create a conflict of interest. Philip A. Huss 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, Philip A. Huss may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives to buy or sell securities before or after recommending securities to clients resulting in

representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Philip A. Huss will always transact client's transactions before its own when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

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

Philip A. Huss requires clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc., (CRD # 5393) as the custodian. The custodian was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. Philip A. Huss will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

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

Philip A. Huss receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that Philip August Huss must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for Philip A. Huss to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending broker/dealers to clients is best execution. Philip A. Huss always acts in the best interest of the client.

- a. When using client brokerage commissions (or markups or markdowns) to obtain research or other products or services, Philip A. Huss receives a benefit because it does not have to produce or pay for the research, products or services.
- b. Philip A. Huss may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than its clients' interest in receiving most favorable execution.
- c. Philip A. Huss does not cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits.
- d. Soft dollar benefits are used to service all client accounts. Philip A. Huss allocates soft dollar to client accounts proportionately to the soft dollar credits the account generates.

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

Philip A. Huss 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***

Philip A. Huss will require clients to use Charles Schwab & Co., Inc., (CRD # 5393), to execute transactions. Philip A. Huss may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients' money because without the ability to direct brokerage Philip A. Huss may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

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

Philip A. Huss maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing Philip A. Huss the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## **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 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 will 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)**

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

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

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

## **Item 15: Custody**

Philip A. Huss, with client written authority, has limited custody of client's assets through direct fee deduction of Philip A. Huss's Fees only. Fees will be withdrawn by the Custodian Schwab Institutional, a division of Charles Schwab & Co., Inc., (CRD # 5393); Philip A. Huss would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices from the custodian that are required in each jurisdiction and the clients should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

For those client accounts where Philip A. Huss provides ongoing supervision, the client has given Philip A. Huss 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 Philip A. Huss discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian. Philip A. Huss will require clients to use Charles Schwab & Co., Inc., (CRD # 5393), to execute transactions and therefore in effect, also has discretion over commission rates to be paid to a broker or dealer for a client's securities transactions.

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

Philip A. Huss 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**

Philip A. Huss does not require nor solicit prepayment of more than \$500 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**

Philip A. Huss 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**

Philip A. Huss has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

Philip A. Huss is currently the only management person/executive officer. Philip A. Huss's education and business background can be found on the Supplemental ADV Part 2B form.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Philip A. Huss's other business activities can be found on the Supplemental ADV Part 2B form.

### **C. How Performance Based Fees are Calculated and Degree of Risk to Clients**

Philip A. Huss 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.

**D. Material Disciplinary Disclosures for Management Persons of this Firm**

Philip A. Huss has not been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Philip A. Huss does not have a relationship or arrangement with issuers of securities.