

H Financial Management  
Disclosure Brochure  
3/19/2014

*Item 1 – Cover Page*

*CRD#148209*

This brochure provides information about the qualifications and business practices of H Financial Management (“HFM” or “Advisor”).

If you have any questions about the contents of this brochure, please contact us at (724) 745-9406.

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.

H Financial Management is a Registered Investment Advisor. Registration as an Investment Advisor does not imply any level of skill or training. This disclosure document is designed to grant current clients as well as potential clients the opportunity to carefully read and establish an understanding of the various investment advisory services that are offered and the respective fees and expenses of those services. The information contained in this document is important to the conduct of both parties entering an advisory contract. While investment advisors have a fiduciary duty to put the needs of clients before their own, clients likewise have a duty to investigate and maintain a basic understanding of the services offered by the Advisor. We hope this document serves as a leading educational tool to aid clients and prospective clients in understanding how H Financial Management conducts investment advisory services.

H Financial maintains business offices in both Morgantown, WV and Southpointe, an exclusive business park development located 20 minutes by interstate outside of Pittsburgh, PA. Our clients appreciate our easily accessible and exclusive location on the sprawling Southpointe campus located on Interstate 79 at the Southpointe exit (Exit 48) near the border of Washington County and Allegheny County. Our Morgantown, West Virginia office provides financial services in the greater Morgantown area and is also conveniently located.

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*Item 2- Material Changes*

There have been no material changes with regard to our investment advisory services since April 2013 when the disclosure brochure was last mailed to advisory clients.

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#### *Item 4 – Advisory Business*

H Financial Management was formed in October of 1981 and is organized in the State of Pennsylvania. Garrett S. Hoge is the President and sole owner. H Financial Management is registered with the SEC and is notice filed in the states of Pennsylvania, West Virginia, Ohio, Florida, North Carolina, New Hampshire, and Texas. H Financial has 636 advisory accounts with \$175,000,000 in Assets under Management as of 12/31/2013 (474 discretionary accounts totaling \$118,000,000, 162 non-discretionary accounts totaling \$57,000,000).

H Financial Management provides financial planning, investment advice and wealth management. Areas of planning include asset allocation, investment selection, retirement planning, college funding and employee benefits and qualified plan subaccount analysis. Engagements are limited in scope based on the client's unique circumstances.

We begin all of our client relationships with the development of a personalized financial profile. This analysis includes net worth, asset allocation, retirement analysis, survivor needs, and estate planning.

Our clients' investment funds may originate from a Marcellus Shale oil and gas contract, the sale of a small business, a 401k rollover from an employer, a pension fund, or a combination of several investment vehicles. Furthermore, each individual's situation is different in terms of money needed in retirement, the desire to pass on a legacy, or the need for funds to be liquid. Despite these differences, our 6-step process ensures that we provide "individual services for the individual needs" of our clients.

#### *The Six-Step Financial Planning Process*

Financial plans and investment products are tailored to fit the unique needs of each of our clients. Steps to be taken in the financial planning process are as follows:

1. **Establishing and defining the client-planner relationship** - The financial planner explains or documents the services to be provided and defines his or her responsibilities along with the responsibilities of the client. The planner explains how he or she will be paid and by whom. The planner and client should agree on how long the relationship will last and on how decisions will be made.
2. **Gathering client data and determining goals and expectations** - The financial planner asks about the client's financial situation, personal and financial goals and attitude about risk. The planner gathers all necessary documents at this stage before giving advice.
3. **Analyzing and evaluating the client's financial status** - The financial planner analyzes client information to assess his or her current situation and determine what must be done to achieve the client's goals. Depending on the services requested, this assessment could include analyzing the client's assets, liabilities and cash flow, current insurance coverage, investments or tax strategies.

4. **Developing and presenting the financial planning recommendations and/or alternatives** - The financial planner offers financial planning recommendations that address the client's goals, based on the information the client provided. The planner reviews the recommendations with the client to allow the client to make informed decisions. The planner listens to client concerns and revises recommendations as appropriate.
5. **Implementing the financial planning recommendations** - The financial planner and client agree on how recommendations will be carried out. The planner may carry out the recommendations for the client or serve as a "coach, " coordinating the process with the client and other professionals such as attorneys or stockbrokers.
6. **Monitoring the financial planning recommendations** - The client and financial planner agree upon who will monitor the client's progress toward goals. If the planner is involved, he or she should report to the client periodically to review the situation and adjust recommendations as needed.

#### *Item 5 – Fees and Compensation*

Fees are charged on a “pay as you go” basis. While fees are negotiable and may vary from client to client, we have developed a range of fees a client could expect to be charged when using our services. The annual fee shall vary (between 0.10% and 1.75%) depending upon the market value of the assets under management, the investment advisor representative providing the investment advisory services, and the type of investment management services.

The advisor may include financial planning along with investment management services, at no additional cost to the client, in an integrated wealth management platform. Fees are quoted in advance and must be accepted by the client prior to project commencement or investment management. Executing a signature on the client agreement or paying a partial/full payment of fee acknowledges acceptance by client.

H Financial Management negotiation of investment management fees are based on one or more of the following factors:

- The number of accounts, positions, account objectives, risk tolerances and restrictions requested by the client
- The estimated amount of time expended in researching, analyzing and documenting the specific recommendation(s) and course(s) of action.
- The requests of each client regarding follow up and forms of communication requested
- The familiarity (or lack thereof) between HFM and the client based on experience and client interaction
- A competitive analysis of other advisory firm’s fees
- The total amount of assets requested to be managed

Advisory fees are calculated and billed quarterly in advance. Clients typically have the fees debited directly from their accounts as stated in the Client Services Agreement. Paper invoices are sent quarterly for accounts for which we advise and report on that are held at other custodians. The fee deduction process will be accompanied by a quarterly fee notification that will be supplied to the client and evidenced on the account statement produced by the qualified custodian as well as on quarterly performance reports provided by H Financial Management. Quarterly fees are based on the ending value of securities on the day prior to the beginning of the billed quarter.

Here is an example of a typical customized fee schedule:

	<b>From</b>		<b>To</b>	<b>Annual %</b>
First	\$0	-	\$100,000	1.25%
Next	\$100,001	-	\$250,000	1.10%
Next	\$250,001	-	\$500,000	0.90%
Next	\$500,001	-	\$1,000,000	0.70%
Next	\$1,000,001	-	Over	0.50%

Here is an example of how a blended quarterly fee is calculated for a client who has \$1,500,000 invested on the last day of the previous quarter:

First \$100,000 – 1.25% Annually, 0.3125% Quarterly = \$312.50  
Next \$150,000 – 1.10% Annually, 0.275% Quarterly = \$412.50  
Next \$250,000 – 0.90% Annually, 0.225% Quarterly = \$562.50  
Next \$500,000 – 0.70% Annually, 0.175% Quarterly = \$875.00  
Last \$500,000 – 0.50% Annually, 0.125% Quarterly = \$625.00

= \$2,787.50 Fee for the quarter or .185%/quarter (.743%/year)

H Financial Management strives to separate its investment advisory business from its commission based business. The Investment Advisor Representatives of H Financial Management are also registered representatives of Triad Advisors. As such, fees and commissions for securities transactions are possible and can therefore be considered a conflict of interest. However, this potential conflict is mitigated in a number of ways as follows:

1. When acting as an Investment Advisor Representative of H Financial Management accounts are established at Fidelity from which the firm receives investment management fees only. No other forms of compensation (including commissions, 12(b)1 fees, etc.) are

received from Fidelity. Furthermore, the purchase/sale of ETFs or other general securities may generate ticket charges or transaction costs at Fidelity which are paid by HFM. Only occasionally will a client be charged small fees by Fidelity such as an IRA account closure fee, a Section 31 fee (SEC fee), or fees associated with alternative investments such as ADRs.

2. Clients and prospective clients are also provided with the H Financial Management Disclosure Brochure. The Disclosure Brochure Part 2A is given to all clients prior to engaging investment advisory services. This explains our compensation arrangement in simple terms. A copy of this document or a statement of material changes is mailed to advisory clients each year.
3. Investment Advisor Representatives are reminded of our Code of Ethics and the importance of communicating clearly and acting in the best interests of our clients at all times. They acknowledge each year to have read and agree with this code each year.
4. When acting as a Registered Representative of TRIAD ADVISORS, INC., trail fees or 12(b)(1) fees from mutual funds and annuities held with TRIAD ADVISORS, INC. and their custodian, NATIONAL FINANCIAL, may be paid to HFM. Clients are given a prospectus and written disclosures (which they sign) regarding commissions and fees related to these products. All retail business submitted through Triad is commission-based.

HFM may also advise on asset allocation and provide tracking and monitoring for investment accounts held at other custodians or investment companies. These are called By-All accounts and the performance reporting is provided through Black Diamond. These accounts may be a 401(k) plan, outside brokerage account or a direct investment account whereas HFM provides advice only. Clients who take advantage of this service are sent paper invoices quarterly for the advisory fee and this is the only form of compensation from these kinds of accounts.

As part of HFM's over-all wealth management service, various life insurance products may be recommended. Typically, licensed insurance agents who are affiliated with HFM access these products through CRUMP, a national insurance brokerage agency. On occasion, insurance products are purchased directly from the insurance company or through other brokerage agencies. Regardless, a commission is paid to the licensed representative who arranges the purchase.

#### *Hourly Charges and Fixed Fees Charged by Advisor*

With low frequency, the Advisor provides investment planning services consistent with individual client's financial and tax status, risk tolerance and investment objectives. Fees are billed at a negotiated rate between the parties. Hourly fees, if any, usually range from \$75 to \$300 per hour and are billed in arrears. These services may be negotiated as a fixed fee also payable in arrears. Unless otherwise stated, client agreements are for a period of one year and are automatically renewed each year. The financial planning agreement not involving securities may be terminated at any time at the client's discretion. The Advisor may terminate the financial planning agreement not involving securities

at any time. There is no provision for refunds when services have been rendered on financial planning agreement not involving securities.

In certain instances, depending upon the client's needs and the services to be performed by the Advisor, the advisory fee may be based upon individual negotiations with the client. In such instances, the fee is stipulated and agreed upon in the advisory contract.

#### *Item 6 – Performance-Based Fees and Side-by-Side Management*

H Financial Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### *Item 7 – Types of Client*

H Financial Management takes an active approach to managing the types of clients that are accepted by the firm. The clients that H Financial Management currently chooses to work with are often “main street” every day people. There are some clients that have high net worth and would be considered “accredited” investors (individual net worth of any natural person, or joint net worth with the spouse of that person, at the time of purchase, is more than \$1,000,000 [as such amount is adjusted periodically by rule of the Commission], excluding the value of the primary residence of such natural person.) However, H Financial Management does not impose any account limits or restrictions for maintaining or managing an account. Generally, H Financial Management best serves those clients with a net worth >\$500,000.

The firm requires clients to disclose current financial status and investment objectives to the Advisor at the time of opening an investment account. These documents are updated as needed. Clients are requested to inform the Advisor whenever the client has experienced a significant change in financial status or condition or wish to change the investment objectives on the account. In general, most clients are residents of the State of Pennsylvania or West Virginia, while a few live in multiple locations largely dependent on the different seasons of the year.

HFM’s clientele could be categorized as individuals, businesses, and trusts. The services offered to each may vary and is largely dependent upon the client’s unique circumstances. H Financial Management has each client execute an independent agreement and each agreement offers services separately to each individual client.

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

If an Advisor is engaged to provide Investment advice, the client’s current financial situation, needs, goals, objectives and risk tolerance are first evaluated through the Retirement Income Roadmap process described in Item 4. Once that process is completed and the results are determined, the advisor may offer clients an investment service called Strategic Asset Management (SAM), which is generally

managed according to the principles of asset allocation. This service attempts to optimize the risk/reward profile of a client's portfolio by investing among several asset classes based upon a client's personal financial goals and risk preferences. Below is a brief description of the type of general strategies that may be used as guidelines by investment advisor representatives in structuring accounts with varying objectives.

**Conservative Income allocation.** A conservative income portfolio usually seeks to generate income as its primary objective and preserve initial investments as its secondary objective. Conservative income portfolios tend to invest in a mix of income producing investments with a low degree of volatility. A typical conservative income portfolio may consist of about 22% in equity asset classes, and 78% in income asset classes, including fixed income and/or cash equivalents.

**Moderate Allocation.** A moderate income portfolio usually seeks to generate income as its primary objective with enough growth to keep pace with inflation. Moderate income portfolios tend to invest in a predominantly income producing investments with a low degree of volatility and a smaller portion of equities to encourage growth. A typical moderate income portfolio may consist of about 42% in equity asset classes, and 58% in income asset classes, including fixed income and/or cash equivalents.

**Balanced Allocation.** A balanced portfolio usually has both capital preservation and growth as its primary objectives. Balanced portfolios tend to invest in a relatively equal mix of low to moderate risk securities. A typical balanced portfolio may consist of about 62% in equity asset classes and 38% in fixed income and/or cash/cash equivalents.

**Growth Allocation.** A growth portfolio usually seeks to generate long-term capital gains as its primary objective. Growth portfolios tend to invest in a mix of investments with potential for long-term capital appreciation with a more than moderate amount of volatility. A typical growth allocation consists of about 81% equity and 19% in fixed income and/or cash/cash equivalents.

**Equity Growth Allocation.** An all-equity growth portfolio usually seeks to generate long-term capital gains as its primary objective. All Equity portfolios are aggressive portfolios and tend to invest in assets that may be considered high risk and tend to have more volatility. These portfolios may have the potential for higher returns over the long-term. A typical all-equity portfolio consists of about 98% in equity asset classes with only about 2% in cash/cash equivalents.

Since client portfolios are designed to be managed in accordance with the financial circumstances, investment objectives, and preferences of individual clients, the actual asset allocation of a particular account may differ from other client accounts with similar objectives or levels of risk. Asset allocation is driven by various mathematical computations, and is more complex than the concept of asset diversification. It should be recommended that no strategy or allocation formula can guarantee a gain, or assume that an account will not suffer a loss.

The program is designed to offer clients a diversified long-term approach to their personal investment goals and objectives. It is important that you keep your investment advisor representative informed as to any changes in your financial situation. This service provides clients with individualized investment portfolio management services, including account review, consolidated reporting, and investment recommendation. Selected investments may include: stocks, bonds, mutual funds and other securities.

The advisor often uses the Frank Russell mutual funds for their multi-manager, multi-asset, multi-style diversification techniques. This has been developed by the Frank Russell Investment Management Company (FRIMCO) advising large institutional pools of assets. Alternatively, the advisors use no-load, low expense mutual fund groups such as American Funds, T. Rowe Price, Vanguard, and others.

Additionally, there are complexities and risks associated with trading securities including, but not limited to execution or trading errors, price volatility, bid/ask spreads, order types (such as “market” and “limit” orders), deviation from net asset value and “execution price slippage” caused by lack of order or book depth. This is commonly seen in some of the more thinly traded stocks or ETFs that don’t usually experience a lot of daily trading volume. An example of such a dilemma was the “flash crash” that the market experienced on May 6, 2010. On that day the Dow Jones Industrial Average plunged about 900 points only to recover those losses later in the trade day. It was the second largest point swing, 1010.14 points, and the biggest one-day decline, 998.50 points, on an intraday basis in Dow Jones Industrial Average History.<sup>1</sup> At current, H Financial Management heavily focuses on mutual funds that trade once per day, this helps minimize problems associated with industry intra-day price deficiencies. Exchange-traded funds (ETFs) are another tool that can be used by HFM to manage client accounts, but the price execution risk is much higher with ETFs than mutual funds, because their price fluctuates like a stock and can be traded multiple times per day.

#### *Item 9 – Disciplinary Information*

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to one’s evaluation of H Financial Management or the integrity of HFM’s management (and each supervised person providing investment advice). H Financial Management has no information applicable to this item regarding the firm, the firm’s staff, or the firm’s investment advisory representatives.

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

H Financial Management does not have other industry activities or affiliations. Some of the Investment Advisor Representatives who are registered with H Financial Management are also registered representatives of Triad Advisors, Inc., a registered broker/dealer, member FINRA/SIPC. As such, members who are dually registered must adhere to both the FINRA rules and guidelines as implemented

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<sup>1</sup> [http://en.wikipedia.org/wiki/2010\\_Flash\\_Crash](http://en.wikipedia.org/wiki/2010_Flash_Crash)

and enforced by the broker/dealer in addition to the State or Federal investment advisory rules and guidelines.

In addition, Clair Hawkins, Garrett Hoge and Kent Aloia are licensed insurance agents who typically work through CRUMP, a national insurance brokerage agency, although, from time to time insurance products are purchased directly from an insurance company or through other insurance brokerage agencies.

### *Item 11 – Code of Ethics*

H Financial Management has created a code of ethics that is designed to help educate and monitor the business conduct of our office staff. The code emphasizes the firm's fiduciary duty to clients and produces a heavy burden on the staff to maintain client confidentiality. A copy of the code of ethics is available to clients or prospective clients upon request.

Garrett S. Hoge, Clair L. Hawkins, Jeffrey Karns or other employees of H Financial Management may occasionally buy or sell securities for their own accounts. The firm may or may not recommend these securities to clients since recommendations vary according to an individual client's specific needs and circumstances. Additionally, staff members may use automatic rebalancing programs that will actively reallocate and may buy or sell securities without consideration of client holdings. These securities are publicly traded and it is highly unlikely that transactions in the personal accounts of the firm's employees could adversely affect the price or performance of the securities.

Should an employee become aware of any non-public information regarding a security, it is the firm's policy that the employees not act on such information for his/her own benefit or for the benefit of clients and report the information to H Financial Management (and the proper regulatory authorities, if warranted).

### *Item 12 – Brokerage Practices*

Currently, H Financial Management utilizes the Fidelity Institutional Wealth Services platform as its main custodian. H Financial Management has an established history with Fidelity and feels that the company characterizes industry leadership in its practices.

H Financial Management has investment advisor representatives who are also registered representatives with Triad Advisors, Inc., a registered broker/dealer, member FINRA/SIPC. This relationship is helpful on multiple levels including compliance oversight and processing direct mutual fund or variable annuity business.

### *Item 13 – Review of Accounts*

The reviews of client accounts in the H Financial Management program are performed periodically and/or at least quarterly. These reviews will encompass performance evaluation, asset allocation analysis and customer suitability review. The triggering factors for evaluation may include, but are not limited to: change in product composition, change in market condition, change in management philosophy, change in client's financial condition, and any other change of which client appraises the Advisor. Levels of review include: summary review of account statements; in-depth review of statements, objectives and current performance. The client may be invited to attend a detailed review involving a meeting to discuss any and all related investment strategy and/or future planning. Garrett S. Hoge and Clair L. Hawkins conduct the review process, with occasional assistance from other office staff. The role of the office staff is largely administrative in gathering the material for review.

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

H Financial Management does not often enter into referral/solicitor agreements. At the current time, there are no relationships where HFM compensates another individual for client referrals.

### *Item 15 – Custody*

In 2010, the Securities Exchange Commission (SEC) adopted amendments to Rule 206(4)-2 (the “Custody Rule”) under the Investment Advisers Act of 1940 (the “Advisers Act”) which governs custody arrangements for registered investment advisers. Prior to that amendment HFM, due to various “No Action” letters and safe harbor provisions issued by the SEC, was deemed to not have custody of client funds. However, after the amendment in 2010, the billing practices of H Financial Management are now considered to create a form of custody since advisory fees can be deducted directly from client accounts. This form of custody is very limited. H Financial Management is not permitted to take control of any client assets or transfer client assets to or from a client’s account unless directed or authorized by the client to do so. HFM does not take possession of client securities or assets. They are held at places such as Fidelity Institutional Wealth Services that meet the standards and requirements that include providing statements to all clients that reflect their securities activity during a given quarter.

H Financial Management is not affiliated with any custodial services and is “operationally independent” from any custodian that generates statements for clients. As such, H Financial Management merely performs the calculation of the fees and supplies that information to the custodian, who in-turn debits the fee and reports the activity on the statement. While the act of debiting the fee directly from the client account meets the new definition of custody as amended by the SEC in their 2010 amendment notice for rule 206(4)-2 under the Investment Advisers Act of 1940, the SEC carved out a provision in the rule change that exempted firms from an annual surprise audit on its books and records if they merely met the definition of having custody due to the ability to deduct the fee from the client(s) account. The basic provisions for the exemption that H Financial Management and its members adhere to are:

- Maintain accounts at a “qualified custodian”, institutions to which clients and advisers customarily turn for custodial services.
- Those custodians are subject to regulations and oversight.
- H Financial Management maintains a reasonable belief that the qualified custodians send statements directly to advisory clients.

These requirements are designed so that advisory clients will receive a statement from the qualified custodian and have the opportunity to compare and contrast with any statements or other information they receive from their advisor to determine whether account transactions, including deductions to pay advisory fees, are proper. While H Financial Management often provides individual account assessments for clients on a quarterly basis, HFM is operationally independent from Fidelity Institutional Wealth Services and other custodians. As such, we urge clients to compare the performance reports provided directly from H Financial Management to the statements provided from the independent custodians.

#### *Item 16 – Investment Discretion*

H Financial Management develops asset allocation investment portfolios. The most efficient way to execute and keep these portfolios rebalanced is through the use of discretionary authority to place trades prior to receiving instruction or confirmation from each client. Over half of HFM accounts held with Fidelity are discretionary accounts. When a client grants discretionary authority to H Financial Management the amount of discretion is limited. The authority limits the discretion to purchases and sales within the account. H Financial Management members have no authority to transfer assets to or from accounts, other than when deducting fees on a quarterly basis. Therefore, the discretion is limited and may be canceled by the client at any time.

#### *Item 17 – Voting Client Securities*

H Financial Management does not vote proxies on behalf of clients. The proxies are sent from the custodian or Investment Company directly to the client’s address of record. The client is welcome to vote proxies as they see fit. H Financial Management does not make recommendations as to how or for whom to vote.

#### *Item 18 – Financial Information*

Registered Investment Advisors are required in this item to provide you with certain financial information or disclosures about HFM’s financial condition. H Financial Management has no financial commitment that impairs its ability to meet its financial obligations and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### *Item 19 – Requirements for State-Registered Advisers*

If this disclosure brochure was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory agreement with this investment advisor, then the client has the right to terminate the agreement without penalty within five business days after entering into the agreement. For the purposes of this provision, an agreement is considered entered into when all parties to the agreement have signed the agreement, or in the case of an oral agreement otherwise signified their acceptance.

### *Item 20 – Other Business Activities*

H Financial Management is a registered investment advisor and offers investment advice for a fee. However, Investment Advisor Representatives (IARs) who are individuals registered with H Financial Management have multiple business activities that are material to the securities industry. Many of the IARs registered with H Financial Management are also registered representatives (investment brokers) with a broker/dealer named Triad Advisors, Inc. member FINRA/SIPC.

This outside business affiliation allows those registered representatives to earn commissions on various securities trades. While the vast majority of business conducted from this office is performed for an advisory fee under HFM, there are times where a commission based product may be suitable and warranted. Under no circumstances do HFM registered investment advisors collect commissions and fees on the same transaction.

### *Item 21 – Additional Compensation*

As disclosed in previous sections, additional compensation can be earned by members of HFM. Such compensation could include commissions from the purchase or sale of securities or insurance products, and income from outside business activities. Additionally, members of H Financial Management could be invited to due diligence meetings at the request of investment companies or other industry organizations. On occasion, travel reimbursements are made by those companies that extended the invitation. Also, from time to time, HFM may receive reimbursement for some expenses incurred in hosting client and/or marketing events. While these payments may only reimburse travel or entertainment expenses, the appearance of “pay for production” may exist and as such the potential conflict of interest has been disclosed.

In rare cases, H Financial Management may directly compensate persons for client referrals in accordance with such written agreements as may be entered into between HFM and persons who may solicit. Such agreements between HFM and any solicitor must be disclosed to any prospective advisory client. When a solicitor arrangement has been formed and a client referral has been made, H Financial Management will present the client a Disclosure Statement that informs the client that a payment or multiple payments may be made to the solicitor introducing the client to HFM. The compensation paid

by HFM for client solicitations and referrals may include cash payments or, where appropriate, provision for percentage-based fee sharing.

In order to be clear, accounts that are held at Fidelity Institutional Wealth Services do not allow for any commission payments of any kind to be paid to H Financial Management or any of its direct members. The only compensation derived from Fidelity accounts are the quarterly fees that are evidenced on each quarterly statement provided to the client directly from Fidelity.

## *Item 22 – Privacy Policy*

H Financial Management provides a variety of investment advisory and financial planning services to clients who have contracted for these services.\* As a result, H Financial Management is required to communicate its policies related to the privacy of customer information. We are proud of our privacy protection practices and procedures and we want you to know how we protect your information and use this information to service your account. Please take a moment to review our privacy policy as described below:

In order to facilitate the servicing of your account, H Financial Management may receive nonpublic personal information about you from the following sources:

- Information we receive from you on questionnaires, applications, account opening documents or other forms
- Information about your transactions with us or others
- Information we receive from a consumer reporting agency
- Information we received from other sources with your consent
- Information we receive from Triad Advisors, the H Financial Management broker-dealer (for example, securities transaction information)

We do not disclose any nonpublic personal information about you to anyone, except as permitted by law. Such disclosure may include the following:

- Disclosures to affiliates, including affiliated service providers (for example, insurance agencies for processing of variable insurance applications on your behalf)
- Disclosures to your chosen broker-dealer firm (for example, to establish a brokerage account on your behalf)
- Disclosures to government agencies, securities regulators and law enforcement officials (for example, for tax reporting, under a court order or to protect our legal rights)
- Disclosures to other organizations, with your consent (for example, other investment advisor firms in order to open a managed account with their firm or the brokerage firm they utilize)
- Disclosures to other persons you authorize to obtain such information (for example, a CPA who will be preparing your tax return)
- Disclosures to Triad Advisors, the H Financial Management broker-dealer (for example, to establish a brokerage account on your behalf)

H Financial Management restricts access to your personal and account information to those of its employees who need to know that information to provide products or services to you. H Financial maintains physical, electronic, and procedural safeguards to guard your nonpublic personal information

We will continue to adhere to the privacy policies and practices as described in this notice if you decide to close your account(s) or become an inactive customer.

If you have any questions concerning the H Financial Management privacy policies and procedures, please feel free to contact us at 724-745-9406.

## **Brochure Supplement (November 19, 2013)**

**Advisor Representative:**

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Canonsburg, PA 15317  
(724) 745-9406

**Company:**

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This “Brochure Supplement” provides information about Garrett Hoge that supplements the information found in the H Financial Management Brochure. You should have already received a copy of that brochure. Please contact Garrett S. Hoge if you did not receive H Financial Management’s advisory firm brochure or if you have any questions about the contents of this supplement.

Additional information about Garrett S. Hoge is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Educational Background and Business Experience**

Garrett S. Hoge has successfully completed a Bachelors degree program at West Liberty University. Additional details follow:

Name: Garrett S. Hoge

Date of Birth: June 3, 1949

**Education:**

Penn State University And  
West Liberty University  
B.A. Pre-Law – 1971

**Certifications/Designations:**

Certified Financial Planner (CFP®)  
Master of Science (MS)  
Chartered Life Underwriter (CLU®)  
Chartered Financial Consultant (ChFC®)  
Holds Series 7, 6, 24, 51, 63, 65

**Five Year Business Background:**

1981 to Present – President & CEO - H Financial Management

Garrett S. Hoge is an investment advisor representative (IAR) of H Financial Management.

2009 to Present – H Financial Management – Garrett is a Registered Representative of Triad Advisors, Inc., Atlanta, Georgia. Triad is a registered broker/dealer member FINRA.

**Disciplinary Information**

A. Garrett S. Hoge has not been the subject of a criminal or civil action in any domestic, foreign or military court of competent jurisdiction.

B. Garrett S. Hoge has never had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

C. Garrett S. Hoge has never been the subject of a self-regulatory organization (SRO) proceeding.

D. Garrett S. Hoge has never been involved in any other proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct.

**Other Business Activities**

A. Garrett S. Hoge is not actively engaged in any other investment-related business or occupation.

B. Garrett S. Hoge is actively involved as an insurance agent and offers insurance products that could produce commissions with regard to sales of insurance products.

**Additional Compensation**

Garrett S. Hoge receives no economic benefit from any non-client individuals for providing advisory services. However, commissions could be received by the sale of securities and insurance related products. If a commission will be made, the client will be informed through prospectus documents of the product as well as other disclosure forms that will evidence the compensation.

**Supervision**

Garrett S. Hoge is a registered principal at the office of supervisory jurisdiction (OSJ) at 400 Southpointe Blvd. Suite #420 Canonsburg, PA 15317 for Triad Advisors Inc. in Norcross, GA. Garrett's activities then are supervised by a registered principal at Triad Advisors in Norcross, GA.

## **Brochure Supplement (November 19, 2013)**

### **Advisor Representative:**

Clair L. Hawkins  
P.O. Box 695 / 256 High Street  
Morgantown, WV 26507  
(304) 292-6837

### **Company:**

H Financial Management  
P.O. Box 695 / 256 High Street  
Morgantown, WV 26507  
(304) 292-6837

This “Brochure Supplement” provides information about Clair L. Hawkins that supplements the information found in the H Financial Management Brochure. You should have already received a copy of that brochure. Please contact Clair L. Hawkins if you did not receive H Financial Management’s advisory firm brochure or if you have any questions about the contents of this supplement.

Additional information about Clair L. Hawkins is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Educational Background and Business Experience**

Clair L. Hawkins has successfully completed a Bachelors degree program at West Virginia University. Additional details follow:

Name: Clair L. Hawkins

Date of Birth: February 4, 1945

Education:

West Virginia University  
Bachelor of Science in Business/Education

Certifications/Designations:

Chartered Life Underwriter (CLU®)  
Registered Financial Consultant (RFC®)  
Chartered Financial Consultant (ChFC®)  
Holds Series 1, 63

### **Five Year Business Background:**

1981 to Present – H Financial Management

Clair L. Hawkins is an investment advisor representative (IAR) of H Financial Management.

2009 to Present – H Financial Management – Clair is a Registered Representative of Triad Advisors, Inc., Atlanta, Georgia. Triad is a registered broker/dealer member FINRA.

### **Disciplinary Information**

- A. Clair L. Hawkins has not been the subject of a criminal or civil action in any domestic, foreign or military court of competent jurisdiction.
- B. Clair L. Hawkins has never had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
- C. Clair L. Hawkins has never been the subject of a self-regulatory organization (SRO) proceeding.
- D. Clair L. Hawkins has never been involved in any other proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct.

### **Other Business Activities**

- A. Clair L. Hawkins is not actively engaged in any other investment-related business or occupation.
- B. Clair L. Hawkins is actively involved as an insurance agent and offers insurance products that could produce commissions with regard to sales of insurance products.

### **Additional Compensation**

Clair L. Hawkins receives no economic benefit from any non-client individuals for providing advisory services. However, commissions could be received by the sale of securities and insurance related products. If a commission will be made, the client will be informed through prospectus documents of the product as well as other disclosure forms that will evidence the compensation.

### **Supervision**

Clair L. Hawkins is supervised by Garrett S. Hoge, a registered principal at the office of supervisory jurisdiction (OSJ) at 400 Southpointe Blvd. Suite #420 Canonsburg, PA 15317 for Triad Advisors Inc. in Norcross, GA.

## Brochure Supplement (November 19, 2013)

### Advisor Representative:

Jeffrey Karns  
400 Southpointe Blvd., #420  
Canonsburg, PA 15317  
(724) 745-9406

### Company:

H Financial Management  
400 Southpointe Blvd., #420  
Canonsburg, PA 15317  
(724) 745-9406

This “Brochure Supplement” provides information about Jeffrey Karns that supplements the information found in the H Financial Management Brochure. You should have already received a copy of that brochure. Please contact Jeffrey Karns if you did not receive H Financial Management’s advisory firm brochure or if you have any questions about the contents of this supplement.

Additional information about Jeffrey Karns is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Educational Background and Business Experience**

Jeffrey Karns has successfully completed a Bachelors degree program at Westminster College.  
Jeffrey Karns has successfully completed a Master degree program at Clarion University of Pennsylvania.

Additional details follow:

Name: Jeffrey Karns

Date of Birth: February 7, 1978

#### Education

Westminster College - Bachelor of Science in Accounting  
Clarion University of Pennsylvania - Master of Business Administration

#### Certifications/Designations:

Holds Series 7 & 66

### **Five Year Business Background:**

2005 to 2012 – Ayco Company, LP  
2012 to Present – H Financial Management

Jeffrey A. Karns is an investment advisor representative (IAR) of H Financial Management.

2012 to Present – H Financial Management – Jeff is a Registered Representative of Triad Advisors, Inc., Atlanta, Georgia. Triad is a registered broker/dealer member FINRA.

**Disciplinary Information**

A. Jeffrey Karns has not been the subject of a criminal or civil action in any domestic, foreign or military court of competent jurisdiction.

B. Jeffrey Karns has never had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

C. Jeffrey Karns has never been the subject of a self-regulatory organization (SRO) proceeding.

D. Jeffrey Karns has never been involved in any other proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct.

**Other Business Activities**

A. Jeffrey Karns is not actively engaged in any other investment-related business or occupation.

**Additional Compensation**

Jeffrey Karns receives no economic benefit from any non-client individuals for providing advisory services. However, commissions could be received by the sale of securities related products. If a commission will be made, the client will be informed through prospectus documents of the product as well as other disclosure forms that will evidence the compensation.

**Supervision**

Jeffrey Karns is supervised by Garrett S. Hoge, a registered principal at the office of supervisory jurisdiction (OSJ) at 400 Southpointe Blvd. Suite #420 Canonsburg, PA 15317 for Triad Advisors Inc. in Norcross, GA.

### *Explanation of Designations*

#### **Certified Financial Planner® (CFP®)**

Those with the CFP® designation have demonstrated competency in all areas of financial planning. Candidates complete studies on over 100 topics, including stocks, bonds, taxes, insurance, retirement planning and estate planning. The program is administered by the Certified Financial Planner Board of Standards Inc. In addition to passing the CFP® certification exam, candidates must also complete qualifying work experience and agree to adhere to the CFP Board's code of ethics and professional responsibility and financial planning standards.

A financial planner works with individuals to help them understand their options and make financial decisions suited to their personal financial situation and goals. Since, because of the nature of their work, a lot of trust is placed in these individuals, the CFP Board posts information on the financial planning process and current licensees, allowing clients of CFPs to verify if their financial planners' designations are in good standing.

#### **Chartered Life Underwriter (CLU®)**

For 85 years the CLU® has been the respected risk management credential for advisors. Designees have completed eight or more college-level courses representing an average study time of 400 hours. Topics for required courses include insurance and financial planning, life insurance law, estate planning, and planning for business owners and professionals. Elective courses include such advanced topics as income taxes, group benefits, retirement planning, and health insurance. CLU® designees must meet experience and continuing education requirements and must adhere to a high ethical standard. The mark is awarded by The American College, a non-profit educator with the top level of academic accreditation.

#### **Chartered Financial Consultant (ChFC®)**

The ChFC® designation has been a mark of excellence for almost thirty years and currently requires nine college-level courses, the most of any financial planning credential. Average study time to earn the ChFC® exceeds 450 hours. Required courses cover extensive education and application training in financial planning, income taxation, investments, and estate and retirement planning. Additional electives are chosen from such topics as macroeconomics, financial decisions for retirement, and executive compensation. ChFC® designees must meet experience requirements and adhere to continuing education and ethical standards. The credential is awarded by The American College, a non-profit educator with an 85-year heritage and the highest level of academic accreditation.

#### **Registered Financial Consultant (RFC®)**

According to the IARFC, this designation is given to advisors who “meet and document seven stringent requirements of education, experience, examination, integrity, licensing, ethics and a significant amount of continuing professional education.” Candidates must pass an examination, and must complete 40 hours of continuing education per year.

#### **Masters of Science (MS)**

The Masters of Science is an advanced program offered through the College of Financial Planning. The Masters of Science (MS) is a graduate degree recognizing one of the highest levels of expertise in the industry today. The program focuses on real world, critical thinking, and problem-solving skills to better help clients preserve their wealth or plot a course for retirement.

*Supervision conducted internally at H Financial Management*

Garrett Hoge is the Chief Compliance Officer and is responsible for monitoring the daily activities and work produced by the IARs and employees of H Financial Management. Kent Aloia is the Compliance Manager and works closely with Garrett conducting routine checks and balances. These compliance reviews are often conducted throughout the normal course of daily business, but some are more formal, such as the end of year annual audit and various other compliance meetings conducted with and by the broker/dealer. Garrett is responsible for maintaining the code of ethics and other regulatory requirements.

Any potential issue regarding advice, service or processes of H Financial Management should be brought to the attention of the Chief Compliance Officer. This enables H Financial Management to be aware of the situation early in the review process and allows Garrett to take an active role in rectifying any problem or misunderstanding and resolving any potential conflict. Garrett maintains an “open door” policy and welcomes face-to-face meetings and direct phone contact. These are the best means of communication for dialog about any issues that may need to be addressed. Relationships tend to breakdown when there is a lack of communication and Garrett strives to keep the lines of communication open for both positive and negative feedback from clients.