

Part 2A of Form ADV: *Firm Brochure*

Kavar Capital Partners, LLC.

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This brochure provides information about the qualifications and business practices of Kavar Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 913-428-3300 or Doug@kavarcapital.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. Kavar Capital Partners, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Additional information about Kavar Capital Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 155805.

Item 2 Material Changes

The information contained in this section relates only to material changes that have occurred since the last update. We define a material change as any change that an average client would consider important to know prior to making an investment decision. The following are short summaries of the material changes that have occurred since our annual update on March 01, 2012 with regard to our services or business operations.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

To obtain our firm brochure and brochure supplements (information regarding each of our financial advisors), our Code of Ethics, or our Privacy Policy, please visit our website at www.kavarcapital.com e-mail us at Doug@kavarcapital.com, telephone us at 913-428-3300 or mail your request to the address below.

Kavar Capital Partners, LLC

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This year, our firm has no material changes to report.

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Item 4 Advisory Business

Kavar Capital Partners, LLC is a SEC-registered investment adviser with its principal place of business located in Leawood, Kansas. Kavar Capital Partners, LLC (KCP) began conducting business in January, 2011.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

- Douglas G. Ciocca, CEO

Kavar Capital Partners, LLC offers the following advisory services to our clients:

FINANCIAL PLANNING AND CONSULTING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to analyze future cash flows, asset values and withdrawal plans. Throughout the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address business planning, investments, retirement, education, estate planning and tax and cash flow needs of the client.

We gather information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant or insurance agent. Our firm may recommend Kavar Capital Partners, LLC for implementation of the plan. Clients should be aware that a conflict of interest exists if we recommend our own services, as we are compensated for the plan and a separate advisory fee. Clients are under no obligation to utilize our advisory services and implementation of the financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Finally, we may participate as a paid speaker providing educational information at speaking engagements or seminars.

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm also provides continuous advice to clients regarding the investment strategies for their assets. Investment strategies are based upon the individual goals and objectives of each client. Through personal discussions, during which a client's particular circumstances are

identified, we develop a personal risk profile and create and manage a portfolio based on that profile. During our data-gathering process, we determine the client's return objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as income needs and tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- 529 Plans
- United States governmental securities
- Options contracts on securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

PORTFOLIO MANAGEMENT - SPECIFIC

Our firm may also provide non-continuous, non-discretionary asset management services to clients with variable life/annuity products they may own in their employer sponsored retirement plans, 529 plans or other products that may not be held by the client's primary custodian. In this case, we will make recommendations for the allocation of client assets among the various investment options designated by the current policy provision and/or Plan Administrator. The client's assets, at all times, are maintained by the designated custodian of the policy/plan.

Recommendations are based on the individual needs of the client. Through personal discussions, in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's

individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a non-discretionary basis. Clients may impose reasonable restrictions on the recommendations for investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, we review the portfolio at least quarterly, and if necessary, rebalance the portfolio, based on the client's individual needs.

AMOUNT OF MANAGED ASSETS

As of 12/31/2013, we were actively managing \$267,364,789 of clients' assets on a discretionary basis plus \$10,098,803 of clients' assets on a non-discretionary basis. Additionally, we provide consulting advice to clients holding \$21,967,650 for a total of \$299,431,242 for which we provide active management or advice.

Item 5 Fees and Compensation

FINANCIAL PLANNING AND CONSULTING FEES

Kavar Capital Partners, LLC's will charge fixed fees for financial planning and consulting. Financial Planning fees are determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. Generally, clients will be required to enter into a written agreement with KCP which outlines the terms and conditions of the engagement and describes the scope of the services to be provided.

Our Financial Planning and consulting fees are calculated and charged on a fixed fee basis, typically ranging from \$200 to \$5,000 depending on the complexity of the plan or the consulting engagement and the specific arrangement reached with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months. The balance is due upon completion of the plan. If a client engages our firm for additional investment advisory services, we may provide an offset to a portion or all of the fees for services based upon the amount paid for the financial planning and/or consulting services.

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The annualized fees for Investment Supervisory Services are charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Up to \$500,000	1.25%
\$500,001 - \$2,000,000	1.00%
\$2,000,001 - \$4,000,000	0.75%

Greater than \$4,000,000

0.50%

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

Additions may be in cash or securities. KCP reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. KCP may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

PORTFOLIO MANAGEMENT –SPECIFIC- SERVICES FEES

The annualized fee for Individual Portfolio Management Services is charged either as a percentage of assets under management or on a flat-fee basis, as determined and agreed upon by the client and KCP as fair compensation for the scope of KCP's involvement. If so determined that the fee will be a percentage of assets under management, it will be according to the following schedule:

:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Up to \$500,000	1.25%
\$500,001 - \$2,000,000	1.00%
\$2,000,001 - \$4,000,000	0.75%
Greater than \$4,000,000	0.50%

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter, or quarterly of the agreed upon annual flat-fee. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

GENERAL INFORMATION

Limited Negotiability of Advisory Fees: Although Kavar Capital Partners, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets

to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group, or “household”, certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Direct Debiting of Fees: KCP, under a separate agreement with Schwab, may have the authorization to directly debit the client’s account through Schwab’s institutional custodial platform. Schwab will debit the client’s account for the amount of KCP’s fee and directly remit the fee to KCP. Schwab has agreed to send a statement to all clients', at least quarterly, indicating all amounts disbursed from the account, including the amount of all fees paid to KCP. In contrast, we do manage accounts that are not on Schwab’s custodial platform, in which the client may be billed directly.

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client’s reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to Kavar Capital Partners, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

ERISA Accounts: Kavar Capital Partners, LLC. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Kavar Capital Partners, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

Kavar Capital Partners, LLC does not charge performance-based fees.

Item 7 Types of Clients

Kavar Capital Partners, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on an investor sentiment, rather than the fundamentals of the company being reviewed.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement and spotting historical trends may not help to predict such trends in the future. There is no guarantee that KCP will be able to accurately predict optimal market movements.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest successfully over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Option writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee (known as a premium) for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price up until a known period in the future.

We use "short puts", in which we sell a put option on a security that we may want to own at a price below the current market price. In this strategy, you receive a fee (known as a premium) for committing to purchase the underlying stock at an agreed-upon price up until a known period in the future.

We use a "spread strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

The following are disciplinary events relating to our firm and/or our management personnel:

In June 2009, a former client of Mr. Douglas Ciocca registered a dispute with FINRA's Dispute Resolution Division against his then broker/dealer, Securian Financial Services, of which Mr. Ciocca was named as the investment adviser representative. The dispute was settled between the broker/dealer and the former client in September 2010. The disclosure can be reviewed on FINRA's website under Disclosure Information for Mr. Douglas Ciocca. Mr. Ciocca's FINRA CRD number is #2495495 and the docket/case number is 09-03290.

Item 10 Other Financial Industry Activities and Affiliations

Currently, no individuals in our firm are engaged in any activities which would require disclosure to our clients.

Kavar Capital Partners, LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Kavar Capital Partners, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

KCP's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to doug@kavarcapital.com, or by calling us at 913-428-3300.

KCP and individuals associated with our firm are prohibited from engaging in principal transactions.

KCP and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.

7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

Item 12 Brokerage Practices

For discretionary clients, Kavar Capital Partners, LLC requires clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for their respective transactions.

Discretionary clients must include any limitations on this discretionary authority in their written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Kavar Capital Partners, LLC will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Kavar Capital Partners, LLC in providing investment management services to clients. Kavar Capital Partners, LLC may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Kavar Capital Partners, LLC will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. KCP will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Our firm's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with KCP or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.

- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable KCP to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) Our client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified in our records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

We may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Kavar Capital Partners, LLC is independently owned and operated and not affiliated with Schwab.

Schwab provides KCP with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and

access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit our firm but may not directly benefit all of our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Kavar Capital Partners, LLC. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

In limited circumstances, clients may direct us to use a particular broker-dealer and custodian under particular circumstances, such as a pre-existing relationship with the broker-dealer. Accounts for which clients have directed us, in writing, to direct their account transactions to a particular broker-dealer (referred to as directed brokerage) should be aware that the client, not our firm, will have the sole responsibility to negotiate terms and arrangements for the account with the directed broker-dealer and we will not seek, nor review best execution for these accounts. Our firm cannot batch or block these transactions with our Schwab-custodial clients and therefore, the client may or may not pay higher commissions or other costs or may

receive less favorable net prices on transactions for the account than would otherwise be the case.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Douglas Ciocca, CEO

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide annual reports summarizing account performance, balances and holdings. Clients also have the ability to review their account holdings on-line.

PORTFOLIO MANAGEMENT SERVICES

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Douglas Ciocca, CEO

REPORTS: Clients will receive monthly statements and confirmations of transactions from their broker-dealer, unless otherwise contracted for by the client. Clients also have the ability to review their account holdings on-line.

FINANCIAL PLANNING AND CONSULTING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for financial planning or consulting clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Item 14 Client Referrals and Other Compensation

It is Kavar Capital Partners, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Kavar Capital Partners, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Aside from the direct debiting of fees, our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Kavar Capital Partners, LLC has no such financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Kavar Capital Partners, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.