

## **Item 1 Cover Page**

# **IBN Advisory Services, Inc.**

We are located at  
8035 Oswego Rd.  
Liverpool, NY 13090  
Our mailing address is,  
PO Box 2365  
Liverpool, NY 13089  
Phone # 315-652-4426  
Fax # 315-652-1035

**April 18, 2018**

**This brochure provides information about the qualifications and business practices of IBN Advisory Services, Inc. If you have any questions about the contents of this brochure, please contact us at 315-652-4426 or by email at [info@ibrokernet.com](mailto:info@ibrokernet.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.**

**IBN Advisory Services, Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply a certain level of skill or training. The oral and written communications of an Adviser provide you with information that you may use to determine whether to hire or retain them. Additional information about IBN Advisory Services, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

There are no material changes as this firm has just started operations as of April 18<sup>th</sup>, 2018.

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 which is December 31st. We will provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure, as necessary, based on changes or new information.

Additional information about IBN Advisory Services, Inc. is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for IBN Advisory Services, Inc. is 293288. The SEC's web site also provides information about any persons affiliated with IBN Advisory Services, Inc. who are registered, or are required to be registered, as Investment Adviser Representatives of IBN Advisory Services, Inc.

### Item 3 Table of Contents

Item 1 Cover Page.....	1
Item 2 Material Changes.....	2
Item 3 Table of Contents.....	3
Item 4 Advisory Business .....	5
Third Party Management .....	5
Financial Planning .....	5
Item 5 Fees and Compensation .....	7
Item 6 Performance-Based Fees and Side-By-Side Management .....	8
Item 7 Types of Clients.....	8
Item 8 Methods of Analysis, Investment Strategies, and Risk of Loss .....	9
Item 9 Disciplinary Information .....	13
Item 10 Other Financial Industry Activities and Affiliations .....	13
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..	14
Participation or Interest in Client Transactions .....	15
Personal Trading .....	15
Item 12 Brokerage Practices .....	15
Item 13 Review of Accounts.....	15
Item 14 Client Referrals and Other Compensation .....	16
Item 15 Custody .....	16
Item 16 Investment Discretion.....	17
Item 17 Voting Client Securities.....	17
Item 18 Financial Information .....	17
Item 19 Requirements for State-Registered Advisers.....	17
ADV Part 2B Brochure Supplement – Richard J Carlesco Jr.....	19
Item 1 – Cover Page.....	19
Item 2 – Educational Background and Business Experience.....	20
Item 3 – Disciplinary History .....	20
Item 4 – Other Business Activities .....	20
Item 5 – Additional Compensation .....	20
Item 6 – Supervision .....	20
Item 7 – Requirements for State-Registered Advisers.....	20
Cover Page .....	21
Item 2 Material Changes.....	22
Item 4 – Services, Fees and Compensation .....	23
Wrap Fee Program .....	23
1. Fees and Compensation .....	24
Item 5 – Account Requirements and Types of Clients .....	25
Item 6 – Portfolio Manager Selection and Evaluation.....	26
1. Methods of Analysis, Investment Strategies and Risk of Loss.....	26
Fundamental Analysis.....	26
Modern Portfolio Theory (MPT) .....	27
Technical Analysis.....	27
Cyclical Analysis .....	28
2. Risks.....	28

3. Performance-Based Fees and Side-by-Side Management .....	31
4. Voting Client Securities .....	31
Item 7 – Client Information Provided to Portfolio Managers .....	31
Item 8 – Client Contact with Portfolio Managers .....	32
Item 9 – Additional Information .....	32
1. Other Financial Industry Activities and Affiliations .....	32
2. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ....	33
3. Participation or Interest in Client Transactions .....	34
4. Personal Trading .....	34
5. Brokerage Practices .....	34
6. Review of Accounts .....	34
7. Client Referrals and Other Compensation .....	35
8. Custody .....	35
9. Investment Discretion .....	35
10. Other Relationships .....	35

## **Item 4 Advisory Business**

- a. IBN Advisory Services, Inc., “IBN” has been in business since 2018 and is 70% owned by Richard J. Carlesco Jr. IBN Advisory Services, Inc. is a registered investment adviser and is registered in several states.
- b. IBN provides advisory services and planning services.
- c. IBN treats all clients, such as, individuals, corporations, pension plans, and charitable organizations the same in reference to management fees. Fees are always totally disclosed between IBN and the client.
- d. IBN does not custody any client funds or securities.

## ***Third Party Management***

We look for qualified firms and individuals that manage assets for our clients and charge a fee for their services, which they share with our firm. We are currently referring clients to the following third-party managers:

- Folio Institutional
- Dynamic Portfolio Strategies
- Patrick Delaney
- Susan M Lohmiller
- Robert M Moskwa
- Ralph Pline
- Joseph O’Haver

Each client is asked to complete a risk tolerance questionnaire, a solicitor disclosure form and an IBN New Account application as part of our suitability process. IBN is responsible for determining that any third-party manager we use is registered under Section 301 of the Pennsylvania Securities Act of 1972 ("1972 Act"), is exempt from the definition of investment adviser under Section 102j) of the 1972 Act, is relying on an exemption from registration under Section 302(d) of the 1972 Act, or is registered with the Securities and Exchange Commission, and has filed a Notification Filing with the state.

## ***Financial Planning***

We also provide comprehensive financial planning, business planning, tax planning and educational planning as well as consulting services. Fee based financial planning is a comprehensive relationship which incorporates many different aspects of your financial status into an overall plan that meets your goals and objectives. The financial planning

relationship consists of face to face meetings and ad hoc meetings with your other advisors (attorneys, accountants, etc.).

In performing financial planning services, we typically examine and analyze your overall financial situation, which may include such issues as taxes, insurance, debt, credit, business planning, retirement savings and reviewing your current investment program. Our services may focus on all or only one of these areas depending upon the scope of our engagement with you. Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

If you engage us to perform these services, you will receive a written agreement detailing the services, fees, terms, and conditions of the relationship. You will also receive this brochure. You are under no obligation to implement recommendations through us. You may implement your financial plan through any financial organization of your choice.

You must agree to provide the information and documentation we request regarding your income, investments, taxes, insurance, estate plan, etc. You also must agree to discuss your investment objectives, needs and goals, and to keep us informed of any changes. We do not verify any information obtained from you, your attorney, accountant, or other professionals.

We obtain information from a wide variety of publicly available sources. We do not have any inside private information about any investments that are recommended. All recommendations developed by us are based upon our professional judgment. We cannot guarantee the results of any of our recommendations. You must decide what advice to follow.

We are also available to provide you with a second opinion of your existing portfolio.

We use the above process to determine the types of investments best suited for our clients with input from our clients. We use an outside service when IBN is making investment choices in accounts managed by IBN, in other accounts we use third party managers. We manage clients' accounts as a platform, meaning that we manage several clients investments the same way based on risk and the preference of our clients in their individual accounts, and we can manage client's funds on an individual basis either using discretion (we don't call or consult with the client prior to trades) or on a non-discretionary basis (we manage the account with direct participation of the client and get client written or verbal permission to make trades).

When we recommend a third-party money manager to manage our client's funds, we receive a portion of the fee they charge, and that fee generally varies with the size of the investment.

We also offer a wrap fee program. Please refer to our ADV Part 2A Appendix Wrap Brochure for more information on the wrap program.

As of April 18, 2018, we manage \$36,987,292 in combined assets on both a discretionary and non-discretionary basis, with 1052 accounts.

If more than \$500 is collected the services should be rendered within six months or less.

## **Item 5 Fees and Compensation**

The fee schedule that follows is for assets held by FOLIO*fn* Investments Inc. our primary third-party manager.

### **Fees and Associated Costs**

IBN Advisory Services, Inc. will charge an asset-based fee based on the assets under management. Fees will be deducted monthly from the client's account.

200.0 basis points for \$0.00 to \$250,000.00

175.0 basis points for \$250,000.00 to \$500,000.00

150.0 basis points for \$500,000.00 to \$1,000,000.00

125.0 basis points for \$1,000,000.00 to \$2,000,000.00

100.0 basis points for over \$2,000,000.00

Billing Mode: In Arrears monthly and are deducted from the clients account

\$3.95 per trade for Market Orders

\$3.95 per trade for Limit, Stop, or Stop/Limit Orders

Our fee can be negotiable under extreme circumstances. These fees are shared with FOLIO*fn* Investments Inc. The client does not pay any additional fee for this service.

The firms that we use to manage clients' assets outside of FOLIO*fn* charge their fees usually by deducting them from the clients account in arrears. However, some firms will allow a client to pay their fee in the form of a bill. These fees are shared with IBN Advisory Services, Inc. The client does not pay any additional fee for this service. The fee schedule for these outside firms are disclosed, by those firms in question, in the prospectus and in their application process.

Clients may cancel at any time with a 30-day written notice. Fees will be prorated for services rendered. The third-party advisors managing the account are responsible for the monthly fee deduction from the clients account.

### **Financial Planning Fees**

Financial Planning Services are offered based on a negotiable fixed fee with a maximum fee of \$10,000 based on the complexity and unique client needs. Prior to the planning process the client will be provided an estimated plan fee. Services include but are not limited to a thorough review of all applicable topics including estate plan/trusts, investments, taxes, and insurance. The payment is due at the commencement of the planning process. Client may cancel within

five (5) business days of signing the Agreement for a full refund. If the client cancels after five (5) business days, a pro-rated refund will be given.

Financial Planning Services are also offered based on a negotiable hourly fee of \$250 based on complexity and unique client needs. Prior to the planning process the client will be provided an estimated fee. Clients will be billed 50% of the fees estimated upfront with the remaining fees due upon rendering of services. Client may cancel within five (5) business days of signing Agreement for a full refund. If the client cancels after five (5) business days, a pro-rated refund will be given.

Investment advisor shall write an agreement of services letter with each individual client outlining; time period, nature of services, amount to be charged for services and amount to be repaid in advent of termination of services. If more than \$500 is collected for services, services must be completed before six months as of the date of the agreement.

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

### **Qualifications**

Performance-based fees can only be used with qualified clients. The term qualified client means a natural person who, or a company that, immediately after entering the contract has at least \$1,000,000 under the management of the investment adviser and/or has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,000,000. The person's primary residence must not be included as an asset.

In measuring clients' assets for the calculation of performance-based fees, we shall include realized and unrealized capital gains and losses.

## **Item 7 Types of Clients**

We provide 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
- Corporations or other businesses not listed above

At IBN Advisory Services, Inc. we believe that, where possible, these actively managed programs should be made available to clients so long as the client is suitable for the investment and we look for programs that will allow minimum investments such as \$25,000.



For our performance, based fee products, the client should be a qualified investor (see definition in Item 6 above) and as such we scrutinize the application to make sure that these clients are suitable.

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

**IBN Advisory Services, Inc. relies on trade signals provided to us from Dynamic Portfolio Strategies to manage our clients' accounts where a third-party vender does not manage the assets.**

### **Investment Philosophy**

Dynamic Portfolio Strategies has worked to identify the relationships between market data, economic data, and the performance of financial markets, in an effort to, systematically increase returns and reduce volatility. What we have found is that market events are not random, and just as the economy experiences cycles, so do the financial markets. There are times to own bonds, stocks, and commodities and more importantly, there are times to sell them. Using mathematical algorithms coupled with a methodical, proprietary scoring process, our models provide disciplined and unemotional “buy” and “sell” signals as the market changes. Based on these signals, client assets are then moved between stock, bond, sector, and money market mutual funds. A wide range of portfolios are offered to accommodate varying risk tolerances and investment objectives.

### **Charlie White is president of Dynamic Portfolio Strategies**

Charlie has spent over 30 years in the financial services industry, beginning his career in 1986 as a full-service commission broker. For nearly 20 years, Charlie built and managed a successful brokerage business, based on the “Buy and Hold” investment philosophy. Following the tumultuous bear markets of 2001 and 2002, Charlie developed a dynamic asset management program to address the uncertainty in the markets. He began to transition his clients to the program, along with a migration from commission to fee-based accounts, as a way to protect his clients' portfolios and proactively address market volatility. Charlie sold his retail advisory business and now focuses all of his time on helping other advisors introduce dynamic asset management to their clients.

### **Dr. David Pollack, Chief Investment Strategist**

Dave brings with him nearly 30 years of mathematics experience. Dave attended the University of Illinois, earning a Bachelor's Degree in Mathematics, a Master's Degree in Mathematics, and a Ph.D. in Mathematics. Dave is responsible for developing and defining the algorithms supporting the DPS program. He is an integral part of the program's data integration as well as the lead in new model advancements.

## **Risks**

There are risks associated with investing including possible loss of principal. An investment any of these strategies involves a substantial degree of risk and should not constitute an investor's entire portfolio without consulting with an investment advisor. One of the risks associated with these strategies is the complexity of the different factors which contribute to the strategy's performance, as well as its correlation (or non-correlation) to other asset classes. These factors include use of ETFs with long and short exposures. The strategy's investment objective is based on historic price trends and fundamental evaluation. There can be no assurance that such trends will be reflected in future market movements or the fundamental theses will be realized. The strategy generally makes intra-month adjustments and therefore is subject to substantial losses if the market moves against the strategy's established positions. In markets without sustained price trends or markets that quickly reverse or "whipsaw" the Strategy may suffer significant losses if the strategy is not able to cope with rapid changes. The strategy is actively managed thus the ability of the Strategy to achieve its objectives will depend on the effectiveness of the portfolio managers.

Diversification does not eliminate the risk of experiencing investment losses. Please consult with your financial professional to determine which strategy may apply to your particular financial plan. This information is not intended to be used as the primary basis of investment decisions, and IBN Advisory, Inc. makes no recommendation as to the suitability of such investments for any person. Any opinions, methodologies and projections expressed herein reflect our judgment at this date and are subject to change without notice. Due to individual investor requirements, this information should not be construed as advice meant to meet the investment needs of any investor. This information is not an offer to buy or sell, or a solicitation of an offer to buy or sell any securities. IBN Advisory, Inc., its owners, employees and/or customers may have positions in the securities whose information is available on this report.

A list of risks associated with the strategies, products, and methodology we offer are listed below:

### **1. Bond Fund Risk**

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- **Call Risk** - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- **Credit Risk** — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.

- Interest Rate Risk — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- Prepayment Risk — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

## 2. Insurance Product Risk

Some of the major risks include:

- Liquidity and Early Withdrawal Risk – There may be a surrender charges for withdrawals within a specified period, which can be as long as six to eight years. Any withdrawals before a client reaches the age of 59 ½ are generally subject to a 10 percent income tax penalty in addition to any gain being taxed as ordinary income.
- Sales and Surrender Charges – Asset-based sales charges or surrender charges. These charges normally decline and eventually are eliminated the longer you hold your shares. For example, a surrender charge could start at 7 percent in the first year and decline by 1 percent per year until it reaches zero.
- Fees and Expenses – There are a variety of fees and expenses which can reach 2% and more such as:
  - Mortality and expense risk charges
  - Administrative fees
  - Underlying fund expenses
  - Charges for any special features or riders.
- Bonus Credits – Some products offer bonus credits that can add a specified percentage to the amount invested ranging from 1 percent to 5 percent for each premium payment. Bonus credits, however, are usually not free. In order to fund them, insurance companies typically impose high mortality and expense charges and lengthy surrender charge periods.
- Guarantees – Insurance companies provide a number of specific guarantees. For example, they may guarantee a death benefit or an annuity payout option that can provide income for life. These guarantees are only as good as the insurance company that gives them.
- Market Risk – The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- Principal Risk – The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

## 3. Mutual Funds Risk

The following is a list of some general risks associated with investing in mutual funds.

- Country Risk - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.

- **Currency Risk** -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- **Income Risk** - The possibility that a fixed-income fund's dividends will decline because of falling overall interest rates.
- **Industry Risk** - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk** - The possibility that increases in the cost of living will reduce or eliminate a fund's inflation-adjusted returns.
- **Manager Risk** -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- **Market Risk** -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk** -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

#### 4. Overall Fund Risk

- Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.
- Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

#### 5. Stock Fund Risk

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for products or services.

These are the only funds that IBN manages actively, all other accounts are managed by outside firms and the products and strategies vary based on that company's objective. Before investing in any of these products you should consult your financial professional and always read the prospectus or offering memorandum.

## Item 9 Disciplinary Information

IBN Advisory Services, Inc. has no disciplinary allegations against it.

Please check [www.finra.org](http://www.finra.org) Broker Check for more information.

## Item 10 Other Financial Industry Activities and Affiliations

- A. IBN Advisory Services, Inc. is affiliated with a FINRA registered Broker Dealer, IBN Financial Services, Inc. They are also a member of the Securities Investors Protection Corporation (SIPC). IBN Financial Services, Inc. has a secondary clearing agreement with Cor Clearing, LLC.
- B. IBN Advisory Services, Inc. also sells Insurance products such as annuities, life insurance products, health Insurance and other related products.
- C. We may use third party money managers for which we are paid compensation. Please note that none of our clients are required to use these referred money managers. This does however present a conflict of interest since we will receive varying levels of fee compensation depending on the third-party vendor. The Adviser will mitigate this conflict of interest by always putting the client first and doing what is in each client's best interests. The Adviser will monitor all client accounts to verify that this fiduciary responsibility is being met. In addition, we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our registered representatives to earn varying levels of compensation from different third-party firms. The Adviser's referral agreement is in compliance with State Regulations where state law requires. All referral clients will be given a disclosure document that outlines the referral relationship between the two firms and the compensation structure. Advisory Clients will pay the normal fees as outlined in this document and the Agreement.
- D. As registered representatives of IBN Advisory Services, Inc., our IARs may recommend securities or insurance products offered by the broker-dealer, and receive normal commissions if products are purchased through them. Thus, a conflict of interest exists between the interests of the IARs and those of our advisory clients. Our financial planning and non-discretionary clients are under no obligation to purchase products recommended by the IARs. No client is obligated to place securities transactions or purchase insurance through IBN Advisory Services, Inc. The Adviser will mitigate this conflict of interest by always putting the client first and doing what is in each client's best interests. The Adviser will monitor all client accounts to verify that this fiduciary responsibility is being met. In addition, 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.

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

IBN Advisory Services, Inc.'s (the 'Company') Code of Ethics (the 'Code') sets forth a standard of business conduct required of all employees and registered representatives. This mandates honest and ethical conduct at all times. This Code of Ethics reflects the Company's values of impeccable business and personal ethics and respect. The Company and its employees and registered representatives recognize their fiduciary obligation to each client. This means that the Company and its associated persons shall act in the client's best interest at all times, and the client's interest shall always be placed ahead of Company interest.

The Code of Ethics sets out ideals for ethical conduct premised on the fundamental principles of honesty, integrity, and trust. The Company places the highest value on ethical conduct. Associated persons should live up not only to the letter of the Code, but also to the ideals of the Company. Associated persons of the firm shall comply with all applicable federal and state securities laws. The Code is designed to guard against violations of securities law and to protect the reputation of the Company. Associated persons are held personally accountable for promoting and applying this Code to their own conduct and work.

The Company shall appoint a Chief Compliance Officer with sufficient authority to enforce the provisions of the Company's Code of Ethics. The Company's Chief Compliance Officer is Timothy Evans. The Chief Compliance Officer shall review the Code of Ethics annually and revise it as needed. The Chief Compliance Officer shall maintain and enforce the Code of Ethics, including but not limited to, reviewing trade blotters and transaction confirmations of trades done directly with fund and insurance companies.

The Company and its associated persons are expected to avoid situations where their personal interests could conflict, or appear to conflict, with their fiduciary responsibilities to clients. Conflicts of interest shall be disclosed to clients. Associated persons should any investment, interest, association, or other relationship that interferes, might interfere, or might be thought to interfere, with the independent exercise of good judgment. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest must be disclosed to the Chief Compliance Officer.

The Company shall restrict access to material nonpublic information about client transactions. Associated persons shall not misuse client information. Access to client information shall be provided on a need-to-know basis. With client permission, information may be shared with brokers, accountants, attorneys, agents, and custodians, as necessary, to support the objectives of the client.

Any associated person of the Company who becomes aware of actual or potential violations of this Code of Ethics, or who has concerns regarding questionable matters involving the Company or an associated person, should contact the Chief Compliance Officer immediately. The Company shall affirmatively act to foster an environment supportive of regulatory compliance. Associated persons shall not be subject to recrimination for the reporting of actual or potential violations of this Code of Ethics.

### ***Participation or Interest in Client Transactions***

The Adviser prohibits any officer, employees or IARs from participating in or having an interest in an advisory client's account.

### ***Personal Trading***

Our officers, employees and IARs may buy or sell – for their personal account(s) – investment products identical to those recommended to clients. These investment products are widely held and publicly traded. It is our policy that no person employed by our firm shall give preference to his or her own interest to that of the advisory client.

Our associated persons shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with our firm, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory clients.

## **Item 12 Brokerage Practices**

The adviser requires the use of their specified broker-dealer or others to execute transactions for client accounts except where a third-party manager is used.

The factors IBN Advisory Services, Inc. use to choose our third-party managers is as follows, first we look at the soundness of their trading history. Do they have a track record? What is their trading philosophy, and do they stick to their guns? How much do they charge and how do they charge their fees? We have no fund managers that charge more than 3% including all trading fees and management fees. The clear majority of managers do not charge more than 2%. IBN receives no incentives or soft dollars from any of our managers such as trips, research, or cash incentives.

The firm if possible, will aggregate the purchase or sale of securities in various client accounts when they are using the same model. This is done to assure that all clients receive the same price for any security.

Our firm receives advice from Dynamic Portfolio Strategies. that we pay a monthly fee for. Because of this we have no incentive to choose one manager over another.

## **Item 13 Review of Accounts**

Our investment committee meets on the third Monday of each month to review the accounts that the firm actively manages. We have informal meeting either in person, via phone or email if market conditions require us to make a trade. Client accounts are reviewed on at least an annual basis with the client.

On all other managed accounts. We require our investment representatives to review their client's accounts with their clients at least every 3 years (part of our "Book and Records" requirements). Accounts of more than \$100,000 may be reviewed more often. We rely on third

party Investment Management Service Companies (such as SEI, Morningstar etc...) to review the accounts on at least a monthly level. IBN Advisory Services, Inc. reviews these companies on a quarterly basis. The review is done by the Investment Committee. That committee consists of the following individuals; Richard J. Carlesco Jr. Christopher R. Avery, Timothy E. Evans, Howard M. Modell, and Samuel S. Bianchi.

The account custodian is responsible for providing monthly or quarterly account statements which reflect the position (and current pricing), as well as transactions in each account, including fees paid from an account. Clients may also be able to review their portfolio performance online.

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

IBN uses qualified firms and individuals to manage assets for our clients. These managers charge a fee for their services, which they share with our firm.

IBN does not pay any compensation to any individual if they refer clients to us.

## **Item 15 Custody**

We do not have physical custody of any accounts or assets. However, we may be deemed to have custody of your account(s) if we have the ability to deduct your quarterly fees from the custodian. 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.



## **Item 16 Investment Discretion**

If an investment advisor representative wants to have discretionary trading authority for a client, they must have the client sign a discretionary trading authority form and a principle of the firm must sign off on this authority. The trades must be executed free of any commission for the trade only a predetermined annualized fee for that account can apply with prior written approval of the firm. The trades are to be executed by COR Clearing or Foliofn Investments. Following a trade, the advisor must submit the trade to compliance along with a written explication of the rationale behind the trade and all trades must be reviewed by a principle of the firm. The advisory firm has the discretionary authority to determine the type and amount of securities to be bought and/or sold without consulting the client as well as the broker/dealer to be used and the fee or commission rates to be paid.

## **Item 17 Voting Client Securities**

We do not exercise a client's authority to vote on client securities. All clients will receive their proxies or other solicitations directly from the custodian or transfer agent. If the clients have questions they should directed to their investment adviser representative call the home office for more information at 315-652-4426 or email us at [info@ibrokernet.com](mailto:info@ibrokernet.com).

## **Item 18 Financial Information**

### **A. Balance Sheet**

A balance sheet is not required to be provided because the Adviser does not serve as a custodian for client funds or securities and the Adviser does not require prepayment of fees of more than \$500 per client and six months or more in advance.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

The Adviser has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

### **C. Bankruptcy Petitions during the Past Ten Years**

Neither the Adviser nor its management has had any bankruptcy petitions in the last ten years.

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

### **Part A**

Please refer to the Part 2B attached.

### **Part B**

Please refer to the Part 2B attached.

### **Part C**

Please refer to the Part 2B attached.

Part D

Please refer to the Part 2B attached.

Part E

Please refer to the Part 2B attached.

There are three principals of IBN Advisory Services, Inc., Richard J Carlesco Jr he is the CEO, CFO, Christopher R. Avery is President, and Timothy E. Evans is CCO are shareholders.

Richard J. Carlesco Jr.'s information is as follows:

**ADV Part 2B Brochure Supplement – Richard J Carlesco Jr.**

**Item 1 – Cover Page**

**Richard J Carlesco Jr.**

**IBN Advisory Services, Inc.**

8035 Oswego Rd.

Liverpool, NY 13090

Phone # 315-652-4426

This Brochure supplement provides information about Richard J Carlesco Jr. and supplements the IBN Advisory Services, Inc. Brochure. You should have received a copy of that Brochure.

Additional information about IBN Advisory Services, Inc. and Richard J Carlesco Jr. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Richard J Carlesco Jr is the majority shareholder of IBN Advisory Services, Inc.,. He is the CEO and CFO. Richard J. Carlesco Jr. is also a LUTCF (Life Underwriter Training Council Fellow)

## **Item 2 – Educational Background and Business Experience**

### **Education**

Onondaga Community College

Syracuse, New York

### **Business History**

January 2000 – Present

CEO, Chief Financial Officer at IBN Financial Services, Inc

April 2018 – Present

CEO, Chief Financial Officer at IBN Advisory Services, Inc

## **Item 3 – Disciplinary History**

Richard J Carlesco Jr. 1 FINRA disclosure for additional details you can ask for a copy from IBN or go to [www.finra.org](http://www.finra.org) and go to Broker Check.

## **Item 4 – Other Business Activities**

Richard J Carlesco Jr. sells property and casualty insurance through IBN Insurance Brokerage, LLC and the firm receives normal commissions if products are purchased through him. Richard Carlesco Jr. also is a registered representative of IBN Financial Services, Inc., and may recommend securities or insurance products offered by the broker-dealer, and the firm receives normal commissions if products are purchased through him. Richard J. Carlesco Jr. receives only a salary from IBN Financial Services, Inc.

## **Item 5 – Additional Compensation**

Richard J Carlesco Jr. does not receive any additional income outside of the salary outlined above.

## **Item 6 – Supervision**

Richard J Carlesco Jr. is the CEO, Chief Financial Officer and founding officer of IBN Advisory Services, Inc. and Timothy E. Evans performs supervisory duties for the firm and reviews any business done by Richard J. Carlesco Jr.

## **Item 7 – Requirements for State-Registered Advisers**

Richard J Carlesco Jr. has no reportable events to disclose here other than disclosed above

**Cover Page**

## **ADV Part 2A Appendix 1**

### **IBN Advisory Services, Inc.**

We are located at,  
8035 Oswego Rd.  
Liverpool, NY 13090  
Our mailing address is,  
PO Box 2365  
Liverpool, NY 13089  
Phone # 315-652-4426  
Fax # 315-652-4595

Our Website is <http://www.ibrokernet.com>

**April 18, 2018**

**This wrap fee program brochure provides information about the qualifications and business practices of IBN Advisory Services, Inc. If you have any questions about the contents of this brochure, please contact us at 315-652-4426 or by email at [info@ibrokernet.com](mailto:info@ibrokernet.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.**

**IBN Advisory Services, Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply a certain level of skill or training. The oral and written communications of an Adviser provide you with information that you may use to determine whether to hire or retain them. Additional information about IBN Advisory Services, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

This is our first amendment filing on April 18, 2018, there have been no material changes to our Form ADV Part 2A Appendix 1.

In addition, 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 which is December 31st. We will provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure, as necessary, based on changes or new information.

Additional information about IBN Advisory Services, Inc. is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for IBN Advisory Services, Inc. is 293288. The SEC's web site also provides information about any persons affiliated with IBN Advisory Services, Inc. who are registered, or are required to be registered, as Investment Adviser Representatives of IBN Advisory Services, Inc.

## **Item 4 – Services, Fees and Compensation**

- a. IBN Advisory Services, Inc., “IBN” has been in business since 2018 and is 70% owned by Richard J. Carlesco Jr. IBN Advisory Services, Inc. is a registered investment adviser and is registered in several states.
- b. IBN provides advisory services and planning services.

### ***Wrap Fee Program***

We currently provide this asset management service in some investment programs that bundle or “wrap” services (investment advice, trade execution, custody, etc.) together and charge a single fee based on the value of the assets under management.

This is a program that allows us to create an investment model portfolio and manage it within your investment guidelines and financial parameters. This program enables you to pursue your investment objectives with us as manager or with one of our third-party managers all in one consolidated portfolio. When we are the manager, we will serve as the investment adviser to manage only one asset class (e.g., large capitalization common stock portfolio or duration-limited fixed income portfolio) or one investment style from its investment product offering. In such an investment advisory relationship, the portfolio’s investment strategy is more limited by the specific product or investment style being sought by the client. Our third-party managers have several styles of portfolios which deal with many levels of client risk tolerance.

We will meet with you to discuss your financial circumstances, investment goals and objectives, and to determine your risk tolerance. Based on the information you share with us; we will analyze your situation and recommend an appropriate Wrap Fee Program.

IBN is responsible for determining that any third-party manager we use is registered Commission under Section 301 of the Pennsylvania Securities Act of 1972 ("1972 Act"), is exempt from the definition of investment adviser under Section 102j) of the 1972 Act, is relying on an exemption from registration under Section 302(d) of the 1972 Act, or is registered with the Securities and Exchange Commission, and has filed a Notification Filing with the state.

You must agree to provide the information and documentation we request regarding your income, investments, taxes, insurance, estate plan, etc. You also must agree to discuss your investment objectives, needs and goals, and to keep us informed of any changes. We do not verify any information obtained from you, your attorney, accountant, or other professionals.

We obtain information from a wide variety of publicly available sources. We do not have any inside private information about any investments that are recommended. All recommendations developed by us are based upon our professional judgment. We cannot guarantee the results of any of our recommendations. You must decide what advice to follow.

## **1. Fees and Compensation**

A wrap fee program allows you to pay a specified fee for portfolio management services and the execution of transactions. The fee is not based directly upon transactions in your account. The fee is bundled with our costs for executing transactions in your account(s).

The fee charged is based upon the amount of money you invest. Multiple accounts of immediately-related family members, at the same mailing address, may be considered one consolidated account for billing purposes. Fees are charged quarterly or monthly, in advance or arrears depending on we manage the portfolio, or you use a third-party manager.

When you use a third-party wrap manager to manage your funds, we receive a portion of the fee that they charge and that fee generally varies with the size of their investment. For our wrap fee program, the fee starts at 2% and is reduced as the size of the account value increases.

Example of our fee structure through Foilqofn Investments, Inc.

Fees will be deducted on a monthly basis from the client's account.

200.0 basis points for \$0.00 to \$250,000.00

175.0 basis points for \$250,000.00 to \$500,000.00

150.0 basis points for \$500,000.00 to \$1,000,000.00

125.0 basis points for \$1,000,000.00 to \$2,000,000.00

100.0 basis points for over \$2,000,000.00

Billing Mode: In Arrears and are deducted from the clients account

\$3.95 per trade for Market Orders

\$3.95 per trade for Limit, Stop, or Stop/Limit Orders

Our Advisory Agreement defines what fees are charged and their frequency. The fees shown above are annual fees and may be negotiable based upon certain circumstances. Fees for partial periods will be charged on a pro rata basis based on the number of days remaining in the billing period. No increase in the wrap fee shall be effective without prior written notification to you. We believe our wrap fee is reasonable considering the fees charged by other investment advisers offering similar services/programs. Our fees will not be based upon a share of capital gains or capital appreciation of the funds or any portion of your funds.

If the Wrap Fee Brochure is not delivered to the Client at least 48 hours prior to entering into the management agreement, the Client may terminate the agreement for services within five business days of execution without penalty. After the five-day period, either party, upon 30 days written notice to the other, may terminate the management agreement. The management fee will be pro-rated for the month in which the cancellation notice was given, and any unearned fees will be returned to the client via check.

You will authorize the custodian to directly debit fees from your account held at the custodian and to pay us. Management fees are prorated for each contribution and withdrawal made during the applicable calendar quarter or month (with the exception of small inconsequential contributions and withdrawals). You will be provided with a quarterly or monthly statement reflecting deduction of the advisory fees.



By participating in a wrap fee program, Clients may end up paying more or less than they would through a non-wrap fee program. The relative cost of the program includes trade execution costs that would typically be passed directly through to the Client by the executing broker. Clients could invest in debt and equities directly, without the Adviser's services. In that case, Clients would not receive the services provided by the Adviser which are designed, among other things, to assist in determining which funds are appropriate for the portfolio and the Client's Account. In our wrap fee program, we include all trade charges for your account; however, our fees do not include other related costs and expenses. You may incur certain charges imposed by custodians, and other third parties. These include custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from clients' assets. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge.

Since the Adviser does not charge Clients fees based on trading activity, the Adviser may have an incentive to limit trading activities in Client account(s) because the Adviser is charged for executing trades. In addition, the amount of compensation received by the Adviser may be more than what the Adviser would receive if the Client paid separately ("unbundled") for investment advice, brokerage, and other services. Therefore the Adviser may have a financial incentive to recommend the wrap fee program over other programs or services. The Adviser monitors all Client accounts to ensure that the Adviser's fiduciary duty is met for all Clients. Any breaches of the Adviser's fiduciary duty are noted and appropriate repercussions are initiated to deter such behavior.

## **Item 5 – Account Requirements and Types of Clients**

Our minimum investment is \$25,000. We provide portfolio management services to individuals, high net worth individuals, trusts, estates, corporations, trusts, endowments, non-profits and small businesses. Several factors may influence the selection of the account structure including but not limited to:

- The Client's preference for a wrap vs. transaction charges per trade on certain or all securities;
- Account size;
- Anticipated trading frequency;
- Anticipated securities to be traded;
- Management style; and
- Long term investment goals.

## **Item 6 – Portfolio Manager Selection and Evaluation**

We offer wrap programs, managed by the in-house advisers or by our outside advisers.

With respect to the wrap program, the Client has the ability to impose reasonable restrictions on the management of your account, including the ability to instruct us not to purchase certain mutual funds, stocks or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction requested.

If such investment restrictions are implemented, the Client will experience a different investment return than what will be realized by the particular model itself. Such performance may be better or worse than the particular model. For these reasons, if a Client wishes to make a request concerning restrictions based on specific securities, it may be more appropriate for the Client to participate in other portfolio management programs. It should be noted; any standardized reports of model performance will not reflect the performance of the particular model with restrictions applied. However, performance reports of the Client's account will accurately reflect the Client's actual account performance with restrictions.

### ***1. Methods of Analysis, Investment Strategies and Risk of Loss***

We may use fundamental analysis, technical analysis, Modern Portfolio Theory (MPT), cyclical analysis, and targeted asset allocation as part of our overall investment management discipline.

We use these method(s) of analysis to determine asset class, region, sector, industry, suitability, and maximum desired allocation for each security selected.

We focus on utilizing these methods of analysis when scrutinizing general economic conditions and geopolitical actions, current market conditions, interest rates and yield curves, inflation trends and market volatility, sector valuations and relative asset class valuations, and taxation concerns. In some instances, we utilize a "bottom-up investing" strategy, and focus on the analysis of individual stocks rather than economic and market cycles.

The implementation of these analyses as part of our investment advisory services to you may include any, all or a combination of the following:

#### **Fundamental Analysis**

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects.

Fundamental analysis is about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

Once we discover undervalued securities or funds that are investing in undervalued stocks; we look at the stability and volatility.

In order to perform this fundamental analysis, we use many resources, such as:

- Proprietary In House Research
- Third Party research
- Nationally recognized statistical rating organizations
- Morningstar

- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Research materials prepared by others
- Company press releases
- Inspections of corporate activities.

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases -securities held at least a year
- Short term purchases - securities sold within a year
- Trading -securities sold within 30 days
- Short sales

### **Modern Portfolio Theory (MPT)**

We use publicly available research and reports regarding individual securities, issuers, investment strategies and performance of asset classes to select the funds they will offer. They also use Modern Portfolio Theory to help them select the funds they offer.

Modern portfolio theory tries to understand the market as a whole, rather than looking for what makes each investment opportunity unique. Investments are described statistically, in terms of their expected long-term return rate and their expected short-term volatility. The volatility is equated with "risk," measuring how much worse than average an investment's bad years are likely to be. The end goal is to identify your acceptable level of risk tolerance, and then to find a portfolio with the maximum expected return for that level of risk.

### **Technical Analysis**

Technical Analysis is a technique that attempts to determine a security's value by developing models and trading rules based upon price and volume transformation. Technical analysis assumes that a market's price reflects all relevant information, so the analysis focuses on the history of a security's trading behavior rather than external drivers such as economic, fundamental and news events. The practice of technical analysis incorporates the importance of understanding how market participants perceive and act upon relevant information rather than focusing on the information itself. Ultimately, technical analysts develop trading models and rules by evaluating factors such as market trends, market participant behaviors, supply and demand and pricing patterns and correlations.

In order to perform technical analysis, we may use the following techniques:

- Calculate moving averages
- Charting and chart patterns
- Supply and demand indicators
- Investor behavior and psychology.

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)

As with other types of analysis, the predictive nature of technical analysis can vary greatly; models and rules are often modified and updated as new patterns and behaviors develop. Past performance is not an indicator of future return.

### **Cyclical Analysis**

While we do not attempt to time the market, we may use cyclical analysis in conjunction with other strategies.

There are risks associated with investing including possible loss of principal. An investment any of these strategies involves a substantial degree of risk, and should not constitute an investor's entire portfolio without consulting with an investment advisor. One of the risks associated with these strategies is the complexity of the different factors which contribute to the strategy's performance, as well as its correlation (or non-correlation) to other asset classes. These factors include use of ETFs with long and short exposures. The strategy's investment objective is based on historic price trends and fundamental evaluation. There can be no assurance that such trends will be reflected in future market movements or the fundamental theses will be realized. The strategy generally makes intra-month adjustments and therefore is subject to substantial losses if the market moves against the strategy's established positions. In markets without sustained price trends or markets that quickly reverse or "whipsaw" the Strategy may suffer significant losses if the strategy is not able to cope with rapid changes. The strategy is actively managed thus the ability of the Strategy to achieve its objectives will depend on the effectiveness of the portfolio managers.

Diversification does not eliminate the risk of experiencing investment losses. Please consult with your financial professional to determine which strategy may apply to your particular financial plan. This information is not intended to be used as the primary basis of investment decisions, and IBN Advisory Services, Inc. makes no recommendation as to the suitability of such investments for any person. Any opinions, methodologies and projections expressed herein reflect our judgment at this date and are subject to change without notice. Due to individual investor requirements, this information should not be construed as advice meant to meet the investment needs of any investor. This information is not an offer to buy or sell, or a solicitation of an offer to buy or sell any securities. IBN Advisory, Inc., its owners, employees and/or customers may have positions in the securities whose information is available on this report.

Most of our accounts are managed by outside firms and the products and strategies vary bases on that company's objective. Before investing in any of these products you should consult your financial professional and always read the prospectus or offering memorandum.

## **2. Risks**

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to handle. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment

decisions we make for you will not always be profitable nor can we guarantee any level of performance.

A list of risks associated with the strategies, products and methodology we offer are listed below:

## 1. Bond Fund Risk

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- **Call Risk** - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- **Credit Risk** — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- **Interest Rate Risk** — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- **Prepayment Risk** — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

## 2. Fundamental Analysis Risk

Fundamental analysis, when used in isolation, has a number of risks:

- When using this method with mutual funds, the funds are composed of many companies and not all of them will be undervalued
- The data used may be out of date.
- It is difficult to give appropriate weightings to the factors.
- It assumes that the analyst is competent.
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.
- It assumes that there is no monopolistic power over markets.
- **Market Risk** – The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk** – The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

### 3. Mutual Funds Risk

The following is a list of some general risks associated with investing in mutual funds.

- Country Risk - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- Currency Risk -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- Income Risk - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- Industry Risk - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- Inflation Risk - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- Manager Risk -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- Market Risk -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- Principal Risk -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

### 4. Overall Fund Risk

- Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.
- Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-

term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

#### 5. Stock Fund Risk

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

#### 6. Technical Analysis Risk

- Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of controversy.
- Methods vary greatly and can be highly subjective; different technical analysts can sometimes make contradictory predictions from the same data.
- Models and rules can incur sufficiently high transaction costs.

### ***3. Performance-Based Fees and Side-by-Side Management***

The Adviser does not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a Client. The Adviser does not perform side-by-side management.

### ***4. Voting Client Securities***

As a matter of firm policy and practice, we do not have any authority to and does not vote proxies on behalf of Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We are authorized to instruct the custodian to forward you copies of all proxies and shareholder communications relating to your account assets. Further, the Adviser will not be required to take any action or render any advice with respect to any securities held in the Account, which are named in or subject to class action lawsuits. The Adviser will, however, forward to the Client any information the Firm receives regarding class action legal matters involving any security held in the Account and discuss such information if the Client so desires.

## **Item 7 – Client Information Provided to Portfolio Managers**

The adviser and IBN Advisory Services, Inc. have access to all client information obtained by the adviser with respect to the client accounts that they manage. If an account is on our platform, such as Foliofn, outside managers have no access to client information. If a client has an outside portfolio manager and on the account, they are the custodian, or if they use an outside custodian of their choosing by that firm, then they have access to client information. The adviser does not provide client information to any other portfolio managers.

## **Item 8 – Client Contact with Portfolio Managers**

The primary point of contact for Clients with respect to this wrap fee program is their adviser. Clients are always free to directly contact The compliance department or Richard Carlesco with any questions or concerns they have about their portfolios or other matters.

## **Item 9 – Additional Information**

IBN Advisory Services, Inc. has no disciplinary allegations against it.

*Please check [www.finra.org](http://www.finra.org) Broker Check for more information.*

### **1. Other Financial Industry Activities and Affiliations**

IBN Advisory Services, Inc. is affiliated with a FINRA registered Broker Dealer, IBN Financial Services, Inc. They are also a member of the Securities Investors Protection Corporation (SIPC).

IBN Advisory Services, Inc. also sells insurance products such as annuities, life insurance, health Insurance, and other related products.

As registered representatives of IBN Advisory Services, Inc., our IARs may recommend securities or insurance products offered by the broker-dealer, and receive normal commissions if products are purchased through them. Thus, a conflict of interest exists between the interests of the IARs and those of our advisory clients. Our financial planning and non-discretionary clients are under no obligation to purchase products recommended by the IARs. No client is obligated to place securities transactions or purchase insurance through IBN Advisory Services, Inc. The Adviser will mitigate this conflict of interest by always putting the client first and doing what is in each client's best interests. The Adviser will monitor all client accounts to verify that this fiduciary responsibility is being met. In addition, 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 may provide referrals to third party money managers for which we are paid compensation. Please note that none of our clients are required to use these referred money managers. This does however present a conflict of interest since we will receive compensation from advisory fees for providing advisory services. The Adviser will mitigate this conflict of interest by always putting the client first and doing what is in each client's best interests. The Adviser will monitor all client accounts to verify that this fiduciary responsibility is being met. The Adviser's referral agreement is in compliance with State Regulations where state law requires. All referral clients will be given a disclosure document that outlines the referral relationship between the two firms and the compensation structure. Advisory Clients will not incur any additional charge because of these referral fees. Advisory Clients will pay the normal fees as outlined in this document and the Agreement.



## ***2. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

IBN Advisory Services, Inc.'s (the 'Company') Code of Ethics (the 'Code') sets forth a standard of business conduct required of all employees and registered representatives. This mandates honest and ethical conduct at all times. This Code of Ethics reflects the Company's values of impeccable business and personal ethics and respect. The Company and its employees and registered representatives recognize their fiduciary obligation to each client. This means that the Company and its associated persons shall act in the client's best interest at all times, and the client's interest shall always be placed ahead of Company interest.

The Code of Ethics sets out ideals for ethical conduct premised on the fundamental principles of honesty, integrity and trust. The Company places the highest value on ethical conduct.

Associated persons should live up not only to the letter of the Code, but also to the ideals of the Company. Associated persons of the firm shall comply with all applicable federal and state securities laws. The Code is designed to guard against violations of securities law and to protect the reputation of the Company. Associated persons are held personally accountable for promoting and applying this Code to their own conduct and work.

The Company shall appoint a Chief Compliance Officer with sufficient authority to enforce the provisions of the Company's Code of Ethics. The Company's Chief Compliance Officer is Timothy E. Evans. The Chief Compliance Officer shall review the Code of Ethics annually and revise it as needed. The Chief Compliance Officer shall maintain and enforce the Code of Ethics, including but not limited to, reviewing trade blotters and transaction confirmations of trades done directly with fund and insurance companies.

The Company and its associated persons are expected to avoid situations where their personal interests could conflict, or appear to conflict, with their fiduciary responsibilities to clients. Conflicts of interest shall be disclosed to clients. Associated persons should any investment, interest, association or other relationship that interferes, might interfere, or might be thought to interfere, with the independent exercise of good judgment. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest must be disclosed to the Chief Compliance Officer.

The Company shall restrict access to material nonpublic information about client transactions. Associated persons shall not misuse client information. Access to client information shall be provided on a need-to-know basis. With client permission, information may be shared with brokers, accountants, attorneys, agents, and custodians, as necessary, to support the objectives of the client.

Any associated person of the Company who becomes aware of actual or potential violations of this Code of Ethics, or who has concerns regarding questionable matters involving the Company or an associated person, should contact the Chief Compliance Officer immediately. The Company shall affirmatively act to foster an environment supportive of regulatory compliance. Associated persons shall not be subject to recrimination for the reporting of actual or potential violations of this Code of Ethics.

### ***3. Participation or Interest in Client Transactions***

The Adviser prohibits any officer, employees or IARs from participating in or having an interest in an advisory client's account.

### ***4. Personal Trading***

Our officers, employees and IARs may buy or sell – for their personal account(s) – investment products identical to those recommended to clients. These investment products are widely held and publicly traded. It is our policy that no person employed by our firm shall give preference to his or her own interest to that of the advisory client.

Our associated persons shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with our firm, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory clients.

### ***5. Brokerage Practices***

The factors IBN Advisory Services, Inc. uses to choose our asset managers is as follows, first we look at the soundness of their trading history. Do they have a track record? What is their trading philosophy, and do they stick to their guns? How much do they charge and how do they charge their fees? We have no fund managers that charge in excess of 3% including all trading fees and management fees. The vast majority of managers do not charge more than 2%. IBN receives no incentives or soft dollars from any of our managers such as trips, research, or cash incentives.

Any research our firm receives we pay for such as we get advice from Dynamic Portfolio Strategies. that we pay a monthly fee for. Because of this we have no incentive to choose one manager over another.

### ***6. Review of Accounts***

Our investment committee meets on the third Monday of each month to review the managers that either advise or actively manage our client accounts. We have informal meeting either in person, via phone or email if market conditions require us. Client accounts are traditional reviewed on at least an annual basis with the client.

On all managed accounts. We require our investment representatives to review their accounts with their clients at least every 3 years (part of our "Book and Records" requirements). Accounts of more than \$100,000 may be reviewed more often. We rely on the Investment Management Service Companies (such as SEI, Morningstar etc...) to review the accounts on at least a monthly level. The investment committee reviews these companies on a quarterly basis.

The account custodian is responsible for providing monthly or quarterly account statements which reflect the position (and current pricing), as well as transactions in each account, including fees paid from an account. Clients may also be able to review their portfolio performance online.

## ***7. Client Referrals and Other Compensation***

IBN may use qualified firms and individuals to manage assets for our clients. These managers charge a fee for their services, which they share with our firm. Some examples of the companies that we may use are as follows; Absolute Capital, Morningstar, Quartz Financial, Equis Financial, AssetMark, SEI Investments and FOLIOfn Investments.

IBN does not pay any compensation to any individual if they refer clients to us.

## ***8. Custody***

We do not have physical custody of any accounts or assets. However, we may be deemed to have custody of your account(s) if we have the ability to deduct your quarterly fees from the custodian. 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.

## ***9. Investment Discretion***

If a registered representative wants to have discretionary trading authority for a client they must have the client sign a discretionary trading authority form and a principle of the firm must sign off on this authority. The representative can charge for this service and all trades must be reviewed by a principle of the firm.

## ***10. Other Relationships***

Neither the Adviser nor Richard Carlesco has any relationship with any issuer of securities.

## **ADV Part 2B Brochure Supplement – Patrick J Delaney**

### **Item 1 – Cover Page**

**Patrick J. Delaney**

**IBN Financial Services, Inc.**

8035 Oswego Rd.

Liverpool, NY 13090

Phone # 315-652-4426

1910 Towne Centre Blvd

Suite 250

Annapolis, MD 21401

This Brochure supplement provides information about Patrick J. Delaney and supplements the IBN Financial Services, Inc. Brochure. You should have received a copy of that Brochure.

Additional information about IBN Financial Services, Inc. and Patrick J. Delaney is available on the SEC's website at <http://www.adviserinfo.sec.gov>

Patrick J Delaney is a registered representative of IBN Financial Services, Inc. He is also a AIF®(Accredited Investment Fiduciary) and a Registered investment advisor in New York, Maryland, and Texas.

## **Item 2 – Educational Background and Business Experience**

### **Education**

Le Moyne College B.S.

Syracuse, New York

### **Business History**

January 2015 – Present

IBN Financial Services

March 1990 – January 2015

Hazard & Siegel Inc

## **Item 3 – Disciplinary History**

Patrick J Delaney has no disciplinary history to disclose

## **Item 4 – Other Business Activities**

Patrick J Delaney sells life and health insurance through M&D Financial Agency Inc. Brokerage, and the firm receives normal commissions if products are purchased through him. Patrick J Delaney also is a registered representative of IBN Financial Services, Inc., and may recommend securities or insurance products offered by the broker-dealer, and the firm receives normal commissions if products are purchased through him. Patrick J Delaney receives a salary from M&D Financial.

## **Item 5 – Additional Compensation**

Patrick J. Delaney does not receive any additional income outside of the income outlined above.

## **Item 6 – Supervision**

Richard J Carlesco Jr. is the CEO, Chief Financial Officer and founding officer of IBN Financial Services, Inc. and Timothy E. Evans performs supervisory duties for the firm and reviews any business done by Patrick J. Delaney

## **Item 7 – Requirements for State-Registered Advisers**

Patrick J. Delaney has no reportable events to disclose here other than disclosed above.

**ADV Part 2B Brochure Supplement – Susan M. Lohmiller**

**Item 1 – Cover Page**

Susan M.Lohmiller

IBN Financial Services, Inc.

8035 Oswego Rd.

Liverpool, NY 13090

Phone # 315-652-4426

This Brochure supplement provides information about Richard J Carlesco Jr. and supplements the IBN Financial Services, Inc. Brochure. You should have received a copy of that Brochure.

Additional information about IBN Financial Services, Inc. and Richard J Carlesco Jr. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

[Registered](#) Rep, Susan M. Lohmiller, born June 28, 1965.

## **Item 2 – Educational Background and Business Experience**

### **Education**

B.S. Natural Science

University of Wisconsin- Madison

### **Business History**

April 2011– Present

Registered Representative, IBN Financial Services, Inc

## **Item 3 – Disciplinary History**

Allowed to resign while under investigation in 2005 from Next Financial Group, no further disciplinary since.

## **Item 4 – Other Business Activities**

Susan M.Lohmiller sells life/health/accident insurance independent of IBN Financial Services, .teach insurance pre-licensing and continuing education for Bryant and Stratton from 2004 to present.

## **Item 5 – Additional Compensation**

Susan M. Lohmiller does not receive any additional income outside of the commissions outlined above.

## **Item 6 – Supervision**

Susan M. Lohmiller is supervised by IBN Financial Services, Inc.

## **Item 7 – Requirements for State-Registered Advisers**

Susan M. Lohmiller has no reportable events to disclose here.

**ADV Part 2B Brochure Supplement – Robert M Moskwa.**

**Item 1 – Cover Page**

**Robert M Moskwa.**

**IBN Financial Services, Inc.**

8035 Oswego Rd.

Liverpool, NY 13090

Phone # 315-652-4426

This Brochure supplement provides information about Robert M Moskwa. and supplements the IBN Financial Services, Inc. Brochure. You should have received a copy of that Brochure.

Additional information about IBN Financial Services, Inc. and Robert M Moskwa is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



Richard J Carlesco Jr is the majority shareholder of IBN Financial Services, Inc.,. He is the CEO and CFO.

## **Item 2 – Educational Background and Business Experience**

### **Education**

LeMoyne College

Syracuse, New York

### **Business History**

May 2007 – Present

Securities Rep, Owner and Partner of M&D Financial Agency, Inc  
Owner of Orange Genesee LLC.

## **Item 3 – Disciplinary History**

Robert M Moskwa. has no disciplinary history to disclose.

## **Item 4 – Other Business Activities**

Robert M Moskwa sells insurance through M&D Financial Agency, Inc. and receives normal commissions if products are purchased through him. Robert M Moskwa also is a registered representative of IBN Financial Services, Inc., and may recommend securities or insurance products offered by the broker-dealer, and receive normal commissions if products are purchased through him. Robert M Moskwa owns Orange Genesee LLC, which owns commercial properties and he receives income from the properties it owns.

## **Item 5 – Additional Compensation**

Robert M Moskwa does not receive any additional income outside of the commissions outlined above.

## **Item 6 – Supervision**

Timothy E. Evans is the Chief Compliance Officer performs supervisory duties for the firm. Robert M Moskwa is supervised by Timothy E. Evans CCO.

## **Item 7 – Requirements for State-Registered Advisers**

Robert M Moskwa has no reportable events to disclose here.