

**DISCLOSURE BROCHURE**

**FORM ADV, PART 2A**

**OPTIMUM FINANCIAL SERVICES, LLC**

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**EFFECTIVE DATE OF BROCHURE: March 20, 2019**

**This brochure provides information about the qualifications and business practices of Optimum Financial Services, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or the e-mail address shown above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Optimum Financial Services, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**OPTIMUM FINANCIAL SERVICES, LLC.**

**ITEM 2: SUMMARY OF MATERIAL CHANGES**

**IN INFORMATION AND DISCLOSURES IN FORM ADV, PART 2A**

**Registered investment advisors must provide clients a summary of material changes since its last annual update. There have been no material changes since the last annual update of Optimum's FORM ADV, PART 2A on February 28, 2018.**

**If you desire, we will provide you a copy of the company's updated FORM ADV, PART 2A and FORM ADV, PART 2B. If you have any questions regarding this document, or if you would like to receive the referenced update, please contact me at 601-981-5900 or e-mail me at [johngarrard@optimumfsi.com](mailto:johngarrard@optimumfsi.com).**

**Thank you,**

**John W. Garrard II  
President and Chief Compliance Officer**

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## **ITEM 4: ADVISORY BUSINESS**

### **FIRM OVERVIEW:**

Optimum Financial Services, LLC. (Optimum) is a registered investment advisor. It is registered with and regulated by the United States Securities and Exchange Commission (SEC.) Optimum must file an annual report with the SEC detailing specific, required information. Additionally, Optimum annually makes available to existing clients and to potential clients, a disclosure document detailing items specified by the SEC. Either or both of these documents must be updated whenever a material change occurs that would cause the existing documents to be outdated or incorrect. Registration does not imply a certain level of skill or training.

Optimum was chartered as a Mississippi corporation in 1990 by August J. Stone, Jr. He served as President and Chief Compliance Office until April 29, 2015, at which point John W. Garrard, II became President and Chief Compliance Officer. In 2015 William H. (Billy) Garrard joined Optimum as Executive Vice President. Billy is a partial owner of Optimum Financial Services, LLC. He has become licensed as an Investment Advisor Representative with Optimum. More detailed information on the education and experience of these asset managers is provided under ITEM XVI – DISCLOSURE SUPPLEMENT - FORM ADV, PART 2B, QUALIFICATIONS OF OPTIMUM’S ASSET MANAGERS.

The SEC identifies principal owners as persons owning at least 25% of the outstanding stock. Ownership in Optimum is held via Optimum Holdings, LLC, which has one principal owner within this definition:

Frank S. Brumfield	35.00%
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### **SERVICES PROVIDED TO CLIENTS:**

Optimum provides asset management services to its clients. The term “client” generally refers to individuals, partnerships, trusts, small businesses, and the profit sharing, 401-K and other tax deferred retirement plans offered by businesses or in which clients are participants. Each client enters into a Management Agreement with Optimum which sets forth contractual rights and responsibilities. Each Management Agreement provides for two exhibits. Exhibit A – Investment Objectives, sets forth the investment objectives and general risk circumstances of the client. These objectives are used by the asset manager to develop the client’s portfolio. Once the investment objectives are clarified, they are documented in Exhibit A which is then signed by the client. The investment objectives may change as the financial circumstances of the client change. As this occurs, Exhibit A is updated.

The second exhibit to the Management Agreement is Exhibit B – Investment Management Fees. This exhibit summarizes the investment management fees that the client will pay, sets forth the rates, calculation process, frequency of payment, and

method of payment. This is fully discussed in the following major section – FEES AND COMPENSATION.

Once the Management Agreement and related exhibits are in place, and the client has established an account with a third party custodian/broker-dealer, the investment management process begins.

#### ***Selection of Other Advisers***

Optimum may direct clients to third party money managers. Before selecting a manager, the firm will always ensure each third party money manager is properly registered as an investment adviser. The firm will be compensated via a fee share from the manager to which it directs its client. The fees shared will not exceed any limit imposed by any regulatory agency. Optimum currently may direct clients to Betterment, LLC and Motif.

#### **WRAP FEE PROGRAMS:**

A “wrap fee program” normally entails the management of an account within specific criteria for a certain fee that encompasses trading costs and management fees. Optimum does not offer a “wrap fee program.”

#### **CLIENT ASSETS UNDER MANAGEMENT:**

The total value of all client assets under management by Optimum at December 2018 is shown below. The assets are categorized as “Discretionary” and “Non-Discretionary.”

Discretionary assets are those which clients have given Optimum full-discretion as to purchases and sales in structuring their portfolio. Non-Discretionary assets are those assets requiring client approval prior to a transaction being executed.

Discretionary Assets Under Management	<u>\$ 189,322,169</u>
Non-Discretionary Assets Under Management	<u>\$ 878,498</u>
Total Assets Under Management	<u>\$ 190,200,667</u>

## ITEM 5: FEES AND COMPENSATION

Optimum Financial Services, LLC provides investment management services on a fee basis.

### **FEE SCHEDULES AND CALCULATIONS:**

For portfolios comprised solely of fixed income securities, mutual funds, and exchange traded funds (ETF's), the following per annum investment management fee schedule is applicable:

Less than \$150,000	1.00%
First \$500,000	.75%
Next \$500,000	.65%
Next \$1,000,000	.55%
Next \$3,000,000	.45%
Next \$5,000,000	.35%
Over \$10,000,000	Negotiable

Client portfolios comprised of individual stocks, or portfolios that contain a portion of individual stocks along with fixed income securities, mutual funds, and exchange traded funds are charged the following per annum investment management fee schedule:

First \$500,000	1.00%
Next \$500,000	.90%
Next \$1,000,000	.80%
Next \$3,000,000	.70%
Next \$5,000,000	.60%
Over \$10,000,000	Negotiable

#### Growth Stock Strategy

Client portfolios comprised of individual stocks, ETF's, chosen purely for their Growth Characteristics. These securities can be more volatile. The portfolio will not contain any fixed income securities, but can hold cash, or money market securities. The following fee schedule applies to these accounts:

First \$250,000	1.50%
Next \$250,000	1.25%
Next \$500,000	1.00%
Next \$1,000,000	.90%
Above \$2,000,000	.80%

Investment management fees are normally charged at the end of each calendar quarter, based on the average daily balance during the quarter. The quarterly rate is one-fourth of the above per annum rates. Should a client or Optimum elect to terminate investment advisory services during a quarter, management fees will be billed or deducted from the account only for that portion of the quarter in which assets were under management.

Investment accounts may also be placed with third party money managers and/or sub-advisors with written concurrence of the client. The accounts may be managed as separate accounts, or in a pooled or mutual fund format. The client will be provided the managers/sub-advisors disclosure documents and fee schedule. In those cases where the manager/sub-advisor and Optimum charge a combined investment management fee, Optimum will be responsible for collecting the total management fee and remitting the manager/sub-advisor their appropriate amount. This allocation of fees will be fully disclosed to the client. In those circumstances where the manager/sub-advisor charges the account directly for their services, Optimum's fees will be calculated and charged separately. If a sub-advisor/manager requires payment of investment management fees other than in arrears, the client will be made fully aware of the requirement. Adjustments will be made for accounts opened or closed during the quarter so that the client pays only for the time their funds are actually under management.

#### **ALTERNATIVE METHODS OF CLIENT PAYMENT:**

Investment management fees are normally deducted from the client's account with the approval of the client. However, if a client prefers to receive a quarterly invoice for the fees and pay it directly, they may do so.

#### **OTHER FEES AND EXPENSES:**

As discussed previously in this section, Optimum's sole compensation for its management services are from the investment management fees collected from clients. There are no other charges by Optimum to the client.

Clients will encounter other fees, charges, or expenses that are imposed by third parties. If individual stocks are purchased or sold, the broker-dealer will charge a commission. All mutual fund managers charge a management fee within the fund and report gain or loss net of their charges. Some custodians may charge for their services. For an expanded discussion of these issues, please refer to **BROKERAGE PRACTICES**.

#### **PREPAYMENT OF FEES:**

Optimum does not encourage or accept the prepayment of fees from clients.

#### **OTHER ADVISOR COMPENSATION:**

Neither Optimum nor any of its asset managers receive direct compensation from anyone other than its clients. Please refer to **BROKERAGE PRACTICES**.



## **ITEM 6: PERFORMANCE BASED FEES**

Performance Based Fees refers to sharing in the capital gains and appreciation of a portfolio. This type of fee sharing is often seen in hedge funds and pooled investment strategies where there is a base charge for investment management and an additional fee based on the asset appreciation. Optimum does not participate in any “Performance Based Fee” arrangement with any of its clients or any third party.

## **ITEMS 7: TYPES OF CLIENTS**

As noted above under the classification SERVICES PROVIDED TO CLIENTS, Optimum provides asset management services to individuals, partnerships, trusts, small businesses, and the profit sharing, 401-K and other tax deferred retirement plans offered by businesses or in which clients are participants. Optimum has no minimum level of assets in order to accept a client. Referral from existing clients are readily accepted and appreciated.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

There are numerous ways to research investments and structure portfolios. Various firms provide research materials for a fee. Others provide data free. Charts are readily available in publications, and a multitude of information is available on the internet. Optimum utilizes various research material provided free from various custodians, mutual fund providers, broker-dealers, and the internet. Additionally, we read and obtain ideas from publications such as the Wall Street Journal, Barron's, and other business magazines. This information is used for the benefit of all clients and helps Optimum's asset managers select various investments suitable for its diverse client base.

## **FORMULATING CLIENT SPECIFIC ADVICE:**

As referenced above in SERVICES PROVIDED TO CLIENTS, each client signs a Management Agreement requiring an attached Exhibit A – Investment Objectives. This exhibit sets forth the investment objectives and general risk circumstances of the client. These objectives are used by the asset manager to develop the client's investment portfolio. Before the client's investment objectives are documented, the asset manager discusses with the client their personal financial situation, goals, and needs, and tries to develop an investment approach or general asset allocation frame work with which the client is comfortable and is within the client's risk tolerance. Once the investment objectives are clarified, they are documented in Exhibit A which is then signed by the client. The investment objectives will often change as the financial circumstances of the client change. As this occurs, Exhibit A is updated.

## **UNDERSTANDING MATERIAL AND SPECIFIC RISKS IN INVESTMENTS:**

Stocks, equity mutual funds, and exchange traded funds, bonds, fixed investments, are subject to fluctuating price valuation due to changes in corporate earnings, changes in interest rates, geopolitical events, significant changes in the inflation/deflation outlook, overall domestic and worldwide economic growth, debt leverage, corporate bankruptcy, corporate governance, income tax changes, and other factors.

## **MANAGING RISKS:**

Although there are many risks associated with investing, there are ways in which risks can be mitigated. Asset allocation among different types of investments (equities, mutual funds, bonds, preferred stocks, and money market accounts) can be a strong beginning to mitigating risks.

No method of asset management is without flaw and risks. However, there are ways to mitigate risks with hands on management, but the management approach must first be appropriate and suitable for the client.

## **ITEM 9: DISCIPLINARY INFORMATION**

It is appropriate that clients and potential clients be aware of the circumstances involved in any disciplinary action against the firm, any of its asset managers, or other management personnel.

**CRIMINAL OR CIVIL ACTIONS:** NONE

**REGULATORY ADMINISTRATIVE PROCEEDINGS:** NONE

**SELF-REGULATORY ORGANIZATION PROCEEDINGS:** NONE

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

It is often beneficial that a firm, or one or more of its management personnel, have a strong personal relationship with other financial industry firms or personnel. However, care must be exercised to avoid any activity that may lead to a conflict of interest or a failure in a fiduciary responsibility to a client.

## **BROKER-DEALER AFFILIATIONS:**

Optimum maintains a close business relationship with various broker-dealers and custodians that provide services, securities, safekeeping, and tax reporting services for its clients. However, Optimum has no official affiliation with any broker-dealer or

custodian. Refer to AFFILIATIONS WITH OTHER INVESTMENT ADVISORS below and please refer to the section titled BROKERAGE PRACTICES.

**FUTURES AND COMMODITY MARKETS AFFILIATIONS:**

Neither Optimum nor any of its management personnel are registered with or otherwise affiliated with any futures or commodity industry dealer.

**OTHER FINANCIAL INDUSTRY AFFILIATIONS:**

Optimum may direct clients to Betterment LLC and Motif, third-party investment adviser. We will be compensated via a fee share with Betterment and Motif. This creates a conflict of interest in that Optimum has an incentive to direct clients to Betterment or Motif based on our interest in receiving services from Betterment or Motif and Betterment Securities as described in Item 12 of this brochure. We will always act in the best interests of the client, including when determining whether to recommend Betterment or Motif to our clients.

**ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING**

Registered investment advisors assume a fiduciary responsibility to their clients that requires that the client's interest must be placed above that of the firm or its management personnel. This fiduciary standard not only applies to security transactions, but also to confidentiality, truthfulness, and professional conduct.

**CODE OF ETHICS POLICY STATEMENT:**

Optimum has adopted a **Code of Ethics, Conduct, and Professional Standards** which addresses this fiduciary standard, as well as the permissible personal trading activity of all related parties, confidentiality, misrepresentation, insider information, disclosure of conflicts of interest, professional conduct, and other items. A copy of this policy statement is available upon request. Optimum has also adopted other policy statements dealing with its responsibilities to clients, regulatory compliance, and business practices.

**PARTICIPATION IN CLIENT TRANSACTIONS IN WHICH OPTIMUM OR A RELATED PERSON HAS A MATERIAL INTEREST:**

Optimum and its management personnel are prohibited from recommending or offering to sell to or buy from any client a security in which either Optimum or any of its management personnel maintain a material interest.

**RELATED PERSON ACQUISITION OF THE SAME SECURITIES RECOMMENDED OR PURCHASED FOR CLIENT ACCOUNTS:**

Optimum and/or its officers may buy or sell for their own or related party accounts securities recommended to and purchased/sold by clients. These transactions are

immaterial to the total volume of traded securities, and care is taken to assure that client transactions are not adversely effected, either through the use of block trades, which provides the same trade price to all accounts within the block trade transaction, or through executing related party trades on the day following client trades. From time to time, and for several reasons, a security may be purchased or sold by a related person independent of client holdings. Similarly, securities may from time to time be purchased or sold from client accounts when the same security in a related party account is not sold. As to the purchase and sale of mutual funds, there is no timing conflict during any one day, as mutual fund trades are all priced and executed as of the close of business on the trade date. Neither Optimum nor any of its officers is a broker/dealer, makes a market in securities, or executes cross transactions directly with a client's account.

**RELATED PERSON ACQUISITION OF THE SAME SECURITIES ACQUIRED FOR CLIENTS AT OR ABOUT THE SAME TIME:**

Please see the above item.

**ITEM 12: BROKERAGE PRACTICES**

Optimum Financial Services, LLC is not a broker-dealer. It uses the services of other broker-dealers in order to purchase, sell, and safe keep client securities. Optimum has developed several relationships with broker-dealers and investment firms that we believe benefit our clients.

**RECOMMENDING AND/OR SELECTING A BROKER-DEALER AND CUSTODIAN FOR CLIENT TRANSACTIONS:**

Optimum allows clients to select whatever broker-dealer or custodian they prefer. However, given the opportunity to recommend a broker-dealer / custodian to the client, Optimum will normally recommend Fidelity Investments. Optimum uses the services of Fidelity Investments as its primary broker-dealer and custodian. This relationship has evolved over several years of development through the efforts of both Optimum and Fidelity. Neither Optimum nor any of its management personnel have any direct affiliation with Fidelity, and neither do we receive any commissions, overrides, referral fees, or other direct compensation from Fidelity. Neither does Optimum pay Fidelity for any referrals.

In determining the factors in the selection of Fidelity, we searched for a broker-dealer who emphasized strong relations with independent investment advisors, who offered a multitude of quality no-load mutual funds, who offered clients a fair price for the execution of transactions, who maintain a sizeable inventory of investment grade fixed income securities, who offered monthly reporting in a timely and accurate statement, who provided timely and accurate tax reporting services, and who had a service department dedicated to assisting advisors and solving problems that may arise. We are very pleased with the quality of the services, inventories, and pricing that Fidelity provides.

We also recommend that our clients use MTG, LLC dba Betterment Securities (“Betterment Securities”) and Motif Investing, Inc. (“Motif”). Both Betterment Securities and Motif are registered broker-dealers. While we may recommend that a client use Betterment Securities or Motif as broker-dealer, the client will decide whether to do so and will open an account with Betterment Securities or Motif by entering into an account agreement directly with them. We do not open the account for the client, although we may assist the client in doing so. If the client does not wish to use Betterment Securities as a broker-dealer, then we cannot manage the client’s account on Betterment’s Institutional platform.

Betterment Securities serves as broker dealer to Betterment’s Institutional platform, an investment and advice platform serving independent investment advisory firms like us. Betterment also makes available various support services which may not be available to Betterment’s retail customers. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Betterment’s Institutional support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Betterment’s Institutional support services:

1. Betterment’s Institutional platform includes access to a range of investment products, execution of securities transactions, and custody of client assets through Betterment Securities. Betterment Securities’ services described in this paragraph generally benefit our clients.
2. Betterment’s Institutional platform also makes available to us other products and services that benefit us, but may not directly benefit our clients. These products and services assist us in managing and administering our clients’ accounts, such as software and technology that may:
  - Assist with back-office functions, recordkeeping, and client reporting of our clients’ accounts. In
  - Provide access to client account data (such as duplicate trade confirmations and account statements).
  - Provide pricing and other market data.
  - Assist with back-office functions, recordkeeping, and client reporting.
3. By using Betterment’s Institutional platform, we will be offered other services intended to help us manage and further develop our business enterprise. These services include:
  - Educational conferences and events.
  - Consulting on technology, compliance, legal, and business needs.
  - Publications and conferences on practice management and business succession.

The availability of these services from Betterment’s Institutional platform benefits us because we do not have to produce or purchase them. In addition, we don’t have to pay for Betterment Securities’ services. These services may be contingent upon us committing a certain amount of business to Betterment Securities in assets in custody. We may have an incentive to recommend that our clients maintain accounts with Betterment Securities, based on our interest in receiving Betterment’s Institutional and

Betterment Securities' services that benefit our business rather than based on our clients' interest in receiving the best value in custody services and the most favorable execution of their transactions. This is a potential conflict of interest. We believe, however, that our selection of Betterment Securities as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services and not Betterment Institutional and Betterment Securities' services that benefit only us.

### **AGGREGATION OF ACCOUNTS IN PURCHASE/SALE TRANSACTIONS:**

The aggregation of accounts for security transactions assures that all buyers/sellers receive the same price on a transaction. This mechanism is beneficial on stock and bond transactions. Mutual funds provide the same price to all buyers and sellers throughout any day because the buy/sell price is based on the valuation of the fund as determined at the end of the trade date and is applicable to everyone.

Aggregation of accounts is often referred to as a 'block trade.' Optimum utilizes block trades when it is appropriate and there is opportunity. If several or all clients owning a stock or bond are to sell that security, a block trade is used, assuring the owners of the same price. If a stock or bond is to be purchased for several clients, a block trade is also used in order to obtain the same price for each. However, if in managing a specific client's account, a particular stock is selected for purchase or sale, it will be bought or sold independently.

All clients are not selected for any particular block trade. For example, in buying a stock, consideration must be given to: is this stock suitable for this client; does this account already own this stock; does this account need additional equities; does this account have cash available to pay for the stock; is this account exclusively mutual funds; is this account exclusively fixed income?

### **ITEM 13: REVIEW OF ACCOUNTS**

Communications between the asset manager and the client is crucial. Good communication allows the manager to develop a 'feel' for the client's circumstances that may require a change in investment objectives and/or asset allocation. The client has a need and a right to know what is occurring with their portfolio.

### **FREQUENCY AND NATURE OF ACCOUNT REVIEWS:**

All client accounts maintained at Fidelity are shown and maintained on Optimum's computer daily. Critical information is readily available. The asset manager has immediate access to account positions, market values, cost data, unrealized gains and losses, cash positions, the accounts' net worth, historical data, pending trades, and a host of additional information. This allows for account review daily.

Optimum asset managers may communicate with clients at any time, any day, and often do. However, there is a normal reporting process in place that provides that the asset manager either meets with or writes a letter to our clients quarterly.

When meeting with clients or included with their report, Optimum may provide additional documents or offerings of documents required by regulation, such as a Privacy Notice, Notice of Material Changes, or an updated FORM ADV, PART 2A or FORM ADV, PART 2B.

Whether at a meeting, in a letter, or other communication, clients are encouraged to ask questions and to discuss circumstances that they feel are important, or that may impact their written investment objectives.

#### **TRIGGERS OF SPECIFIC ACCOUNT REVIEW:**

As noted in the previous section, communication is encouraged between the asset manager and the client. Any significant event that may impact a client's investment objectives, portfolio, or financial circumstances should be a trigger to initialize communication, or include such matters at the next quarterly review.

#### **FREQUENCY AND CONTENT OF REVIEW REPORTS:**

These matters are discussed in the two preceding sections.

### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Optimum's personnel attempt to maintain friendly and professional relations with business associates and others in the community in hopes that they, as well as clients, will consider referring others to Optimum for investment management services.

#### **NON-CLIENT COMPENSATION TO OPTIMUM:**

Neither Optimum nor its asset managers receive any direct compensation from non-clients for its investment management services, except for those matters specifically noted under the section heading RECOMMENDING AND/OR SELECTING A BROKER-DEALER AND CUSTODIAN FOR CLIENT TRANSACTIONS.

#### **REFERRAL COMPENSATION BY OPTIMUM:**

Optimum has in the past, and may in the future, establish a referral arrangement with other advisors, insurance agents, or other parties where it pays a referral fee to these parties in exchange for referrals that actually become investment clients of Optimum. This referral agreement must be in writing, signed by both parties, and the fee arrangement clearly disclosed. If the referring party is not a registered investment advisor, the arrangement must be approved by the State of Mississippi, and Optimum

must receive a “No-Action Letter” from the state’s securities commission. This arrangement is tightly regulated and requires that the referring person provide the potential client a copy of Optimum’s FORM ADV, PART 2A and PART 2B at the first meeting in which the referral is discussed and obtains acknowledgement from the potential client that they are aware of the agreement, and that the referring party will receive compensation from Optimum for the referral if they become an actual client. The referred party, upon becoming a client of Optimum, must sign a separate document acknowledging they he is aware of the compensation arrangement which must be fully disclosed, and Optimum must acknowledge that the client will not pay more than other clients for investment management services of Optimum.

#### **ITEM 15: CUSTODY OF CLIENT ASSETS**

Optimum utilizes the services of several broker-dealers as mentioned under the BROKERAGE PRACTICES section. Optimum is independent of these broker-dealers and uses their custody capabilities. Optimum follows stringent internal policies and regulations to avoid direct custody of client assets and relies on these independent broker-dealers to provide custodial services which encompasses, among other things, holding or safe keeping the securities, receiving and sending the securities, receiving dividends and interest, acting upon proper notification as to withdrawals or transfers, valuing the securities based on accurate market guidelines and data, providing statements to clients of Optimum, and providing annual tax information to clients. Statements should be received from the custodian on a monthly basis unless there is no activity in the account, in which case at least quarterly statements should be received. Clients should carefully review statements received from the custodian. Optimum personnel also review the statements and use the statements as the basis of our quarterly reports and meetings. Optimum does not send client statements.

It should be noted that the SEC regulations state that if an advisor has the authority to deduct investment management fees directly from a client's account, the advisor has custody. However, this alone does not trigger the series of regulatory requirements that having physical custody of client assets generates.

#### **ITEM 16: INVESTMENT DISCRETION**

Optimum’s Management Agreement provides for discretionary asset management. This means that the client gives Optimum’s asset managers the authority to buy, sell, and hold securities as they deem appropriate in the client’s account, subject to suitability and the dictates of the Exhibit to the agreement containing the client’s investment objectives. Most clients agree with this policy and in fact, are paying investment management fees to Optimum in order to have someone do just that, manage their account. Client’s have the right to reject that provision of the contract and adopt some form of notice, discussion, verbal or written approval before securities can be purchased or sold. There is no extra charge in requiring the asset manager to contact the client prior to executing security



transactions; however, the potential time delay in doing so may cause the client to miss a trade altogether (such as buying a new issue bond) or necessarily eliminate the client from a block trade. Additionally, if clients are traveling or for other reason cannot be contacted, an account may miss portfolio management opportunities to either purchase or sell a security at a specified price.

#### **ITEM 17: VOTING CLIENT SECURITIES**

Optimum does not vote proxies for client owned securities. Custodians or other third parties will send proxy materials directly to the client. You may vote your proxies as you deem appropriate. Optimum normally does not review sufficient detail contained in proxy materials to guide you in your decision.

#### **ITEM 18: FINANCIAL INFORMATION**

Regulators require investment advisors to provide financial information to clients if there is reason to be concerned about the advisors capability to satisfy its client's obligations. This requirement would be applicable if Optimum collected fees in advance, had physical custody of client assets, or had filed for bankruptcy. Additionally, if an advisor has discretionary authority over client assets, the advisor is required to disclose any financial condition likely to impair the advisor's ability to meet contractual commitments to clients.

Optimum does not solicit nor obtain fees in advance from clients, does not have physical custody of client assets, nor has it or any of its personnel filed for bankruptcy. Optimum does have discretionary authority over client assets, but we do not know of any financial condition or circumstance that would impair our contractual commitments to clients.

**DISCLOSURE BROCHURE SUPPLEMENT**

**FORM ADV, PART 2B**

**PERSONAL INFORMATION ON THE FOLLOWING**

**ASSET MANAGERS AND OFFICERS OF**

**Optimum Financial Services, LLC.**

**1817 Crane Ridge Drive, Suite 200**

**Jackson, MS 39216**

**Tel. 601-981-5900**

**This brochure supplement provides information about John W. Garrard, II, William H. Garrard and John Walter Garrard III, that supplements the Optimum Financial Services, LLC. Disclosure Brochure. Please contact John W. Garrard II, President and Chief Compliance Officer if you failed to receive the disclosure brochure and this supplement in its entirety, or if you have any questions regarding the contents.**

**DISCLOSURE BROCHURE**  
**SUPPLEMENTAL INFORMATION**  
**DISCLOSURE BROCHURE**  
**SUPPLEMENTAL INFORMATION**

Name: JOHN W. GARRARD, II

Date of Birth: March 3, 1961

Residency: Jackson, MS

Formal Education:

Indianola Academy Indianola, MS	Diploma	1979
Mississippi State University Starkville, MS	BBA	1983
Millsaps College Jackson, MS	MBA	1987

Business Experience Last five Years:

Optimum Financial Services, Inc./LLC. April, 2007 to Present; Currently, President/Chief Compliance Officer and Asset Manager. Formerly, Executive Vice President, Asset Manager, Optimum Financial Services, Inc.

Triad Advisors, Inc. April, 2009 to July 2015; Registered Representative

Legg, Mason, Wood, Walker and its acquirer Smith Barney to April, 2007; Registered Representative and Assistant Vice President

Professional Designations:

Investment Advisor Representative – passed the required NASD Series 65 Uniform Investment Advisor’s examination

Registered Representative of Triad Advisors, Inc. 2009- July 2015 and previously with various broker-dealers since passing the required NASD Series 7 and Series 63 examinations in 1990

Life and Health Insurance agent’s license obtained after completing the required State of Mississippi examination

Disciplinary Information:

There have been no criminal or civil actions, administrative proceedings, self-regulatory organization proceedings, or other disciplinary actions against John W. Garrard, II

Other Business Activities:

John W. Garrard, II is not actively involved in any other investment related business activity, nor any other business activity.

Additional Compensation:

John W. Garrard, II receives compensation from Optimum Financial Services, LLC based on his investment management fees. He receives no other compensation from Optimum or any of its clients.

Supervision:

John's activities and actions are reviewed by the Board of Directors of Optimum Financial Services. John is also bound by Optimum's Compliance Policies and Procedures, which are formally reviewed by the entire staff of Optimum on a regular basis.

Any questions or concerns related to Mr. Garrard should be directed to Mr. William H. Garrard at 601-981-5900, or to Mr. Russ Bourne, Chairman of Optimum Financial Services, at 601-951-4242.

Name: WILLIAM H. GARRARD

Date of Birth: October 29, 1949

Residency: Isola, MS

Formal Education:

Isola High School Isola, MS	Diploma	1967
University of Mississippi Oxford, MS	BBA	1972
Louisiana State University School of Banking of theSouth	Certified	1980

Business Experience Last Five Years:

Optimum Financial Services, Inc./LLC. March, 2015 to Present; Currently, Executive Vice President and Asset Manager.

Professional Designations:

Investment Advisor Representative – passed the required NASD Series 65 Uniform Investment Advisor’s examination

Disciplinary Information:

There have been no criminal or civil actions, administrative proceedings, self-regulatory organization proceedings, or other disciplinary actions against William H. Garrard.

Other Business Activities:

Real Estate Ownership, through which he receives lease payments. Very small percentage of his time (less than 5%) is spent in these activities.

Additional Compensation:

William H. (Billy) Garrard receives compensation from Optimum Financial Services, LLC in the form of salary, and compensation based on his investment management fees. He receives no other compensation from Optimum or any of its clients.

Supervision:

Billy is supervised by John W. Garrard II

Any questions or concerns related to Mr. William Garrard should be directed to Mr. John Garrard at 601-981-5900.

Name: JOHN WALTER. GARRARD, III

Date of Birth: January 5, 1991

Residency: Jackson, MS

Formal Education:

Mississippi State University Starkville, MS BBA 2014

Business Experience Last five Years:

Optimum Financial Services, Inc./LLC. August 2018 to Present; Investment Advisor Representative

Optimum Financial Services, Inc./LLC. August 2017 to July 2018; Intern/Trainee

C Spire Wireless. August 2012 to July 2017; Account Service Representative

Disciplinary Information:

There have been no criminal or civil actions, administrative proceedings, self-regulatory organization proceedings, or other disciplinary actions against John W. Garrard, III

Other Business Activities:

John W. Garrard, III is not actively involved in any other investment related business activity, nor any other business activity.

Additional Compensation:

John W. Garrard, III does not receive any economic benefit from any person, company, or organization, other than Optimum Financial Services, LLC in exchange for providing clients advisory services through Optimum Financial Services, LLC.

Supervision:

John W. Garrard, III's activities and actions are reviewed by the Board of Directors of Optimum Financial Services. He is also bound by Optimum's Compliance Policies and Procedures, which are formally reviewed by the entire staff of Optimum on a regular basis.

Any questions or concerns related to Mr. Garrard should be directed to Mr. William H. Garrard at 601-981-5900, or to Mr. Russ Bourne, Chairman of Optimum Financial Services, at 601-951-4242.