

COVER PAGE



**INVESTMENT ADVISORY DISCLOSURE BROCHURE  
ADV PART II**

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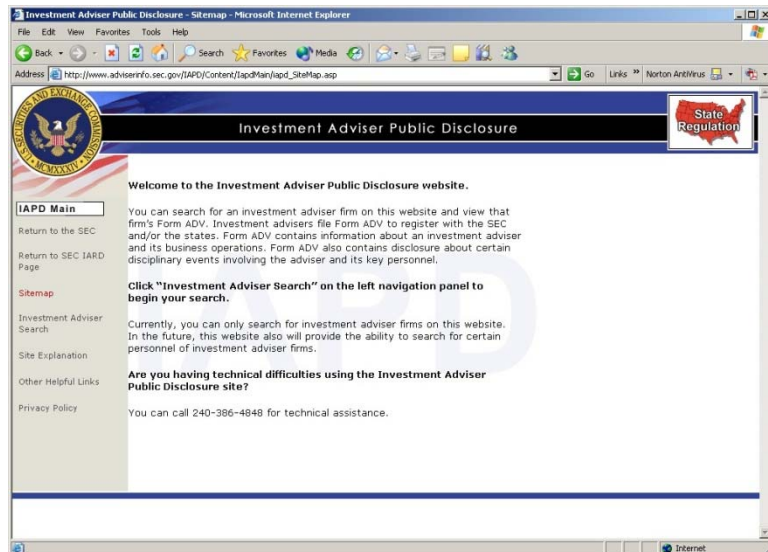
**This brochure provides information about the qualifications and business practices of Oak Tree Advisory Services, Inc (OTAS). If you have any questions about the contents of this brochure, please contact us at (760) 439-5616. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State securities authority.**

## ACCESSING INFORMATION ABOUT OTAS ON THE WEB

Additional information about OTAS is available on the Internet at:

<http://www.adviserinfo.sec.gov>

You can search this site by selecting “Investment Advisor Search” in the left panel. Indicate an “Investment Advisory Firm” search. A unique identifying number, known as a CRD or IARD number can be used for this search. **The number for OTAS is 105883. The SEC file number is 801-25846. You can also type in the name of the Company, “Oak Tree Advisory Services” and that will also access the file.**



Please note that Oak Tree Advisory Services, Inc. is a Registered Investment Advisor in compliance with SEC regulations. The term, “registered investment advisor” as well as registration with the SEC do not imply a certain level of skill or training. Registration is a matter of disclosure and compliance only.

### MATERIAL CHANGES

No current material changes to this brochure for 2019. In 2018 an office located in San Marcos, California was closed as of June 1, 2018 for purposes of consolidation.

Oak Tree Tax Services and Oak Tree Mediation are both Service Marks used by Oak Tree Advisory Services, Inc.



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## ADVISORY BUSINESS

A: Owners: Oak Tree Advisory Services, Inc. (OTAS) was incorporated in October of 1985 as a California Corporation.

B: The Co-owners and founders are Armand E. D'Alo and Robbin M. D'Alo.

OTAS started out as a student project in 1982. At that time it was called Oak Tree Financial Planning Firm. The concept was to develop a fee-only professional planning company that tried to eliminate conflicts of interest. When OTAS was incorporated, this philosophy was instituted and has been a core pledge to each client. If any conflicts of interest arise, these are disclosed to clients along with an explanation of any impacts that are perceived by OTAS which may affect the client's decision to utilize OTAS services. Part 2 B of this brochure has biographical and professional background information for Armand and Robbin.

C: Type of Advisory Services: OTAS offers fee-only financial, investment advisory, pension advisory, and non-discretionary investment management services as well as tax preparation, marriage / divorce mediation and collaborative divorce. OTAS does not participate or receive compensation other than what is paid to OTAS by clients in the form of fees that are invoiced for services rendered.

Any client service program may include a variety of strategies for implementation. Yet in all instances, the only methods of compensation to OTAS are the fees paid by clients. Services include, but are not limited to, financial planning, investment counseling / consulting, non-discretionary investment management services, tax planning, tax preparation, estate planning, marriage / divorce mediation and collaborative divorce services.

OTAS offers pension advisory services to company pension plans on a fee-basis. These services include the review of existing investment programs, the direct and indirect costs associated with such programs and the review of alternative programs that may be suitable based on criteria established by the client. Ongoing review of portfolio holdings, the size of the portfolio and suitability of existing investment options may be part of this service program. OTAS does not trade on these accounts for individuals unless specifically authorized to do so and OTAS never has custody of assets.

D: Tailoring Services to Clients: It has been the philosophy at OTAS that while each person may have similar concerns, such as retirement planning, education funding, etc..., each client is different in terms of what they might need from a financial advisor. In recognition of this belief, OTAS attempts to develop service programs that fit the needs of each client. This may include a compilation of standardized service programs that are used for many clients. Since the relationship is fee-only, these services may incur significant fees which OTAS attempts to estimate before work is started. However, fees may exceed these estimates. When it is apparent that fees will be more than what is quoted, OTAS will make an effort to contact the client to review the changes and determine how the client wants to proceed. However, all fees incurred up to that point are the responsibility of the client.

OTAS will, on occasion, develop a service program for defined employee groups. Such plans are administered to assist with benefit education within an organization. These programs are generally charged on a pre-determined fee basis.

E: Non-Discretionary Asset Management: If asset management services are used to serve a client, this is done on a non-discretionary basis. A limited power of attorney is executed by the client. Most of the assets managed in this manner are held at Charles Schwab & Company in separate brokerage accounts. We note that OTAS, in agreement with the client, does not exercise its authority under the non-discretionary management option without first consulting with the client. In addition, there are assets which OTAS reviews and advises on which may not be held in the client's accounts. These can include but are not limited to employer pension plans, cash value insurance policies, accounts held by a client at brokerage firms other than Charles Schwab & Company.

As of 1/56/2015 the assets the fall under investment advisory services was estimated at \$57,833,489. This figure is arrived at based on the fair market value on the assets held at Schwab on the date noted. The amount of assets included in this figure encompasses about funds under OTAS non-discretionary management, funds managed by Morningstar on a discretionary basis and funds managed by Dowling and Yahnke that are managed on a discretionary basis. OTAS has no affiliation with Morningstar or Dowling and Yahnke. OTAS monitors these accounts and offers commentary for clients. This amount does not comprise assets held in pension programs for which OTAS offers investment consulting services. OTAS provides information to members of the investment committee to assist them in their fiduciary duties.

OTAS no longer offers continuous discretionary investment management services (advice or investment decisions not directly considering other client assets or obligations) and continuous discretionary investment supervisory services (advice or investment decisions made on the basis of the individual needs of the client) for a fee based upon a percentage of assets under management, a flat fee or a fee based on the time and charges for the activity which is undertaken.

OTAS may be granted limited discretionary authority to provide investment management services. Based on the client's written authorization, OTAS may be authorized to receive duplicate copies of trade confirmations and client account statements and may be granted authority to order the distribution of client funds by check, withdrawal, and other forms of disbursement for the client's benefit. Whenever a distribution or disbursement is undertaken, it is done at the request of the client and under the signature of the client. Funds are then sent to the client's address of record. OTAS does not take custody of client assets.

OTAS may also use the services of other investment advisors to handle daily investment management of portfolios. Such arrangements never involve compensation to OTAS. Any fees charged by third parties are fully disclosed to clients and are paid by the client to the third party provider and not to OTAS.

F. Wrap Fee Programs: OTAS does not participate in any Wrap Fee Programs.

## FEES AND COMPENSATION

A: OTAS offers investment advice for an hourly fee or flat fee arrangement. These fees are assessed outside an investment account through a direct billing to the client for services rather than assessing the fee against the account directly. Any fees will impact the performance of the investment account. These fees are a cost and should be taken into consideration in terms of net yield from an account.

OTAS is engaged in tax preparation, financial planning, Marriage / Divorce Mediation, Collaborative divorce, investment advisory, and investment management activities and will not receive commissions or other compensation from the sale of any investment products that may be discussed or recommended. Clients are advised that they are under no obligation to act upon recommendations from OTAS. If a client does elect to act upon any such recommendations, they are under no obligation to effect the transaction through any particular agency.

B: Time and Charges: **Hourly fees range from \$45 to \$245 an hour, depending on the level of staffing that is required to complete each project or segment of each project. These fees are not negotiable.**

Retainer Fees: Quarterly or periodic retainers are charged to clients for a pre-determined set of services or project. These fees are based on an estimate of the amount of time required to complete the tasks at hand. These fees are quoted ahead of time and are subject to negotiation before work begins. Once retainer work has begun, the fee is no longer negotiable since the work specified was the basis of the retainer fee quoted. The range of retainer fees is not pre-determined.

Asset Management: Depending on the scope of the engagement, these fees are based on a negotiated flat fee retainer or time and charges. In addition, the custodian may charge fees, mutual fund expenses, ETF fees, commissions and transaction costs. These are charges by the custodial companies or mutual funds that are utilized. Such fees are charged and paid directly to the custodian. OTAS has no part or control over these outside charges. At times OTAS may be able to negotiate with the custodian for lower transaction costs. However, that is totally at the discretion of the custodian and OTAS is not compensated and does not participate in any custodial charges that are assessed to the client.

In addition to these fees noted above, charges incurred such as FedEx and postage expenses, copying charges, phone charges, conference room reservations, and other similar expenses are added to billing statements. All fees are due and payable upon receipt of billings and are the responsibility of the client. Late billings will be charged a late fee if not received by the 30<sup>th</sup> day after the billing date.

C: Fee arrangements are negotiable. Professional discounts may be given, at the discretion of OTAS and based on the circumstance of the project.

D: Fees are generally charged directly to clients and are billed based on the project undertaken. Invoices may be charged to a credit card. If this method of payment is utilized, the credit card fee that OTAS is charged may be added for this convenience. The current fee is 2.38% of the invoice. This fee may change based on the fee assessed by the credit card processing service.

E: OTAS bills clients a retainer based on a specific project or on a quarterly or monthly basis. Quarterly and monthly invoices cover the prior period in question.

F: If all of the project's retainer fees are not used in full, a refund is sent to the client at the completion of the project. There are no pre-payment of fees exceeding six or more months.

G: OTAS does not have arrangements for mutual referrals. From time to time, OTAS may recommend various accountants, attorneys, investment managers, and other professionals. There are no shared fees or referral fees offered or accepted by OTAS. OTAS does not sell investment products. No commissions are charged. OTAS does not accept compensation from any investment transaction. OTAS does not accept transaction fees, trailing commissions, 12b-1 fees or any other form of commission or incentive compensation.

When OTAS includes the use of no-load mutual fund shares or Exchange Traded Funds (ETF) in client accounts, the client should be aware that in addition to OTAS management fees, a portion of any no-load mutual fund or ETF investment is allocated within the fund to pay for the fund's own advisory fees and other internal expenses, including transaction fees for investments the fund advisors may buy or sell.

OTAS notes that all fees, commissions, custodial charges, etc. that are assessed against an investment account will adversely impact the overall performance of a portfolio. Any reduction of fees increases the overall performance of an investment.

#### PERFORMANCE-BASED FEES

No Performance-based fees are charged. No fee arrangements, regarding the specific investments, are in place since OTAS does not charge commissions or fees based on the specific investments. There is never a share of the capital gains or capital appreciation realized by the clients that are paid to OTAS.

#### TYPES OF CLIENTS

OTAS offers services to individuals, personal trusts, executive groups, small to medium size businesses, small company pension plans and hospital-based pension plans. The majority of clients are executives, people in the entertainment industry, professionals and small business owners.

#### METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

OTAS uses various methods of analysis to develop opinions about markets, rates of return and asset allocations. There is no one single method that is used exclusively. In our opinion, each client's situation is unique, and there is no one investment method that works in every situation.

Potential investment recommendations are researched based on sources (mainly Morningstar and investment research offered through Charles Schwab) that are deemed to be reliable. However, we do not audit to verify the accuracy of any information provided by these third parties. All investments have inherent risk. Some factors

impacting investments include, but are not limited to, changes in market conditions, economic changes, shifts in the tax laws and other events that are not foreseeable at any given time.

OTAS does not engage in frequent trading or day trading. In our opinion, this increases brokerage costs and potentially creates tax issues for clients that are not, in our opinion, beneficial.

OTAS does not limit analysis and recommendations to any one type of investment.

OTAS does not seek to maximize all returns in liquid or cash assets. Liquidity generally includes a lower rate of return. Attempts to invest cash for short-term gain in other-than-cash assets can result in problems and possible loss of principal. For example, moving cash into a certificate of deposit can result in a higher return. However, if there is a need to liquidate the asset prematurely the CD could be penalized resulting in a lower return than leaving the funds in cash.

#### DISCIPLINARY INFORMATION

There is not, nor has there been disciplinary action taken against OTAS or against any employees or the owner of OTAS.

#### OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A: There are no material relationships or arrangements with other financial industry participants. From time to time OTAS may work with other investment advisors, financial planners, accountants, attorneys, etc. These relationships are by choice based on an opinion of OTAS that the professional or company in mind can benefit a client.

B: There are no financial arrangements with any other parties. Even when there is significant interaction, there is never a financial incentive to enter into that relationship. There are no financial incentives for any party involved.

#### CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Armand E. D'Alo is a CFP<sup>™</sup> and therefore holds to the code of ethics as outlined by the Board of Standards for Certified Financial Planners. This Code of Ethics and Professional Responsibility is stated as follows:

CFP Board adopted the Code of Ethics to establish the highest principles and standards. These Principles are general statements expressing the ethical and professional ideals certificants, and registrants are expected to display in their professional activities. As such, the Principles are aspirational in character and provide a source of guidance for certificants and registrants. The Principles form the basis of CFP Board's Rules of Conduct, Practice Standards and Disciplinary Rules, and these documents together reflect CFP Board's recognition of certificants' and registrants' responsibilities to the public, clients, colleagues, and employers.

Principle 1 – Integrity: Provide professional services with integrity.



Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Certificants are placed in positions of trust by clients, and the ultimate source of that trust is the certificant's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of one's principles.

Principle 2 – Objectivity: Provide professional services objectively.

Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which a certificant functions, certificants should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

Principle 3 – Competence: Maintain the knowledge and skill necessary to provide professional services competently.

Competence means attaining and maintaining an adequate level of knowledge and skill, and application of that knowledge and skill in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Certificants make a continuing commitment to learning and professional improvement.

Principle 4 – Fairness: Be fair and reasonable in all professional relationships. Disclose conflicts of interest.

Fairness requires impartiality, intellectual honesty, and disclosure of material conflicts of interest. It involves a subordination of one's own feelings, prejudices, and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated.

Principle 5 – Confidentiality: Protect the confidentiality of all client information.

Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

Principle 6 – Professionalism: Act in a manner that demonstrates exemplary professional conduct.

Professionalism requires behaving with dignity and courtesy to clients, fellow professionals, and others in business-related activities. Certificants cooperate with fellow certificants to enhance and maintain the profession's public image and improve the quality of services.

Principle 7 – Diligence: Provide professional services diligently.

Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

In addition to these standards, OTAS has no material financial interest in any investment or strategy recommended to clients. All transactions for accounts of any principal at OTAS are reviewed internally and approved before execution.

Periodically advisory personnel will invest in the same mutual funds that were recommended to clients. These investments are selected based on research that was done for clients first. Since the funds are considered sound investments, personnel may determine if there is an appropriate match for their personal that there was a fit in their own personal portfolio. Due diligence is the same for the portfolio of clients and the portfolio of personnel.

## BROKERAGE PRACTICES

A: Clients are not required to use one broker-dealer over another. Many clients utilize the services of Charles Schwab & Company because of their competitive fee structures, the range of product availability and their ability to electronically provide information to OTAS that is compatible with electronic transfers of information.

OTAS, its president or any associated person does not receive a portion of any transaction fees or commissions charged by any custodian and executing broker-dealers. Clients that wish to use other broker-dealers may incur additional charges for the time and effort required to input client data and transaction information from other broker-dealers.

B: There are various research capabilities on the Charles Schwab & Company website which may be used by OTAS as well as Morningstar information. The information from Charles Schwab technically could be considered soft-dollar benefits, but any use is for the benefit of all clients and at the discretion of OTAS.

Periodically there may be free luncheon meetings for educational purposes on topics pertaining to the markets and/or the economy. These meetings are rarely attended. There is no distinction as to whom or how any one account will benefit. It is the belief of OTAS that no significant benefit accrues to any one account, or to the employees of OTAS, from any soft-dollar benefits.

C: Referrals sources are never given compensation for the referral and OTAS never receives a referral fee from advisors in which a referral was made. The only time a referral is made is based on the quality of service and ease of investment execution that clients receive. OTAS does not negotiate commissions and does not attempt to aggregate purchases of securities.

D: Trades are placed in behalf of the client's based on written or verbal authorization. All orders for purchases and sales of securities for client accounts shall, when possible, are placed through Charles Schwab & Company. OTAS shall depend on the brokerage to provide its best efforts to obtain favorable price and market execution of such transactions. OTAS cannot guarantee that such execution price shall represent the lowest commission available at the time.

While there are many options for broker-dealer relationships, OTAS has chosen to utilize Charles Schwab & Company. Charles Schwab & Company is a securities broker-dealer and acts as custodian for a majority of client assets. In the opinion of OTAS, they

typically have competitive commission charges which may benefit the client. However, clients are not required to utilize Charles Schwab & Company.

Clients should also be aware that if they do not use Charles Schwab & Company, they might obtain a lower transaction fee for securities trades. If a client's assets are not placed with Charles Schwab & Company, the client may be assessed additional fees for manual data entry and pricing of securities. It is also possible that OTAS would refuse to offer investment reporting services if information from the client's broker-dealer is not compatible with electronic data retrieval.

## REVIEW OF ACCOUNTS

Accounts are reviewed on an "as needed" or "as requested by client" basis. This review is based on the opinion of OTAS and not a specific schedule of review or oversight. From time to time these reviews may include the performance of individual security issues or mutual fund shares and the conformity of the account with the agreed upon asset allocation guidelines.

Financial Planning, estate planning, and investment advisory consulting recommendations are formulated by Armand E. D'Alo, EA, CFP®, CDFA™.

Accounts are monitored by Armand D'Alo. Mr. D'Alo formulates the investment policies with the client and determines the investment options. Mr. D'Alo may make specific investment recommendations to present to the client. The number of accounts supervised by Mr. D'Alo is determined by the time and effort required to manage each caseload.

Financial planning, estate planning, and investment advisory consulting services are completed as needed. As an additional service, clients may contract with OTAS for updating and ongoing services on an occasional or regular basis.

OTAS does not monitor or maintain a method to monitor changes to a client's personal situation. If the client does not advise OTAS of such changes, OTAS cannot provide updated recommendations that may be more appropriate to the needs of the client.

Clients receive statements of position and account activity directly from their custodial broker-dealer. OTAS provide such clients with periodic statements of position, based on client request. OTAS's representative offers to meet with each client annually, or more frequently, at the client's request, to review portfolio performance.

## CLIENT REFERRALS AND OTHER COMPENSATION

OTAS does not pay for client referrals. No economic benefits are provided to OTAS for providing investment advice or other advisory services. OTAS works to avoid conflicts of interest in relation to advice provided in that OTAS is compensated through fees for time-and-charges instead of commissions.

Soft-dollar benefits are discussed previously in the section "Brokerage Practices."

## CUSTODY

OTAS does not take custody of client assets in any form. All assets are held at brokerage firms who are considered to be qualified custodians. If clients send checks to OTAS for deposit, that check must be made payable to the broker-dealer. OTAS will copy the check and send the client's check to the broker-dealer for deposit, as a courtesy to the client. It is always preferred that the clients make deposits directly with broker-dealers themselves.

It is the responsibility of the client to check the statements from the custodian to determine if there are inaccuracies. It is not the responsibility of OTAS to report on transactions that OTAS has not been made aware of by the client.

## INVESTMENT DISCRETION

OTAS does not offer discretionary management. If hired to offer non-discretionary asset management services, OTAS will request that the client execute all forms necessary to allow OTAS a Limited Power of Attorney (POA) over an account. This Limited POA allows OTAS to buy and sell securities (based on the client's written authorization), receive confirmations and communications from broker-dealers and to transact all other business necessary to complete the function of asset management.

The client is asked to refrain from accessing the account for trading purposes unless they specifically speak with OTAS to determine the appropriate course of action.

## VOTING CLIENT SECURITIES

OTAS avoids conflicts of proxy voting by having original proxy information sent to the client. The client may review the information and respond in their best interest. When requested, OTAS, based on our opinion, will offer perspective to each client as to what may be in their interest. The advice about the same proxy issue may be different for each client, depending on their situation and the outcome they desire.

## FINANCIAL INFORMATION

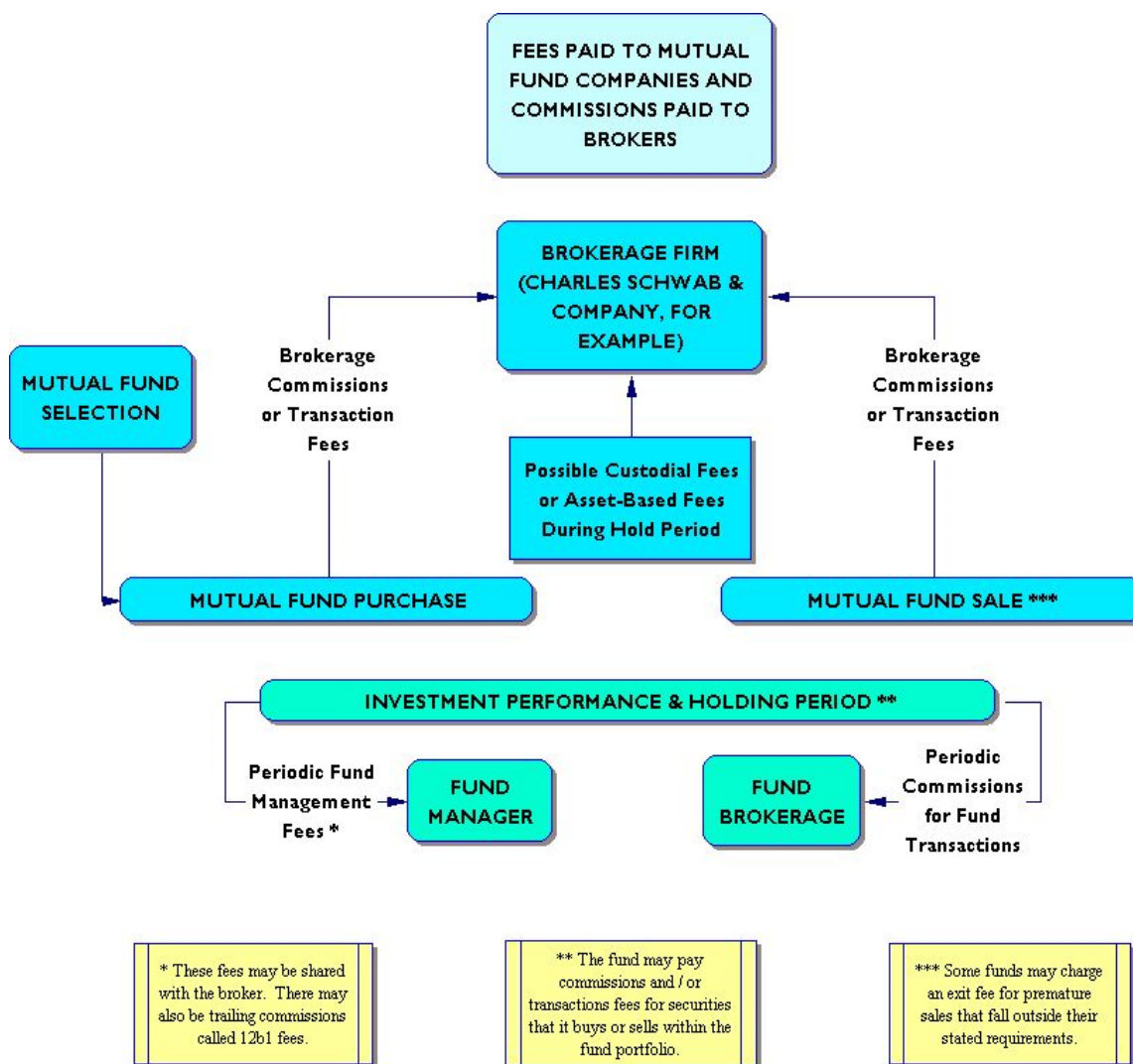
Since OTAS does not have custody of client assets and OTAS does not collect fees of more than \$1,200 six months or more in advance of service to be rendered, the need to provide a statement of financial condition does not apply. Since large fees are not collected more than six months in advance, and custodial issues are not part of OTAS operations, there are no issues that seem likely to impair the ability of OTAS to fulfill contractual commitments.

However, OTAS notes that the core of OTAS is made up of two individuals: Armand E. D'Alo, EA, CFP®, CDFA™, and Robbin Marguerite D'Alo, EA, CLA, CDFA™. Other people that support OTAS operations are contracted positions, or they work in other companies that provide services to OTAS clients either under an agreement with OTAS or directly under contract with the client. Engagements with other advisors are separate from the engagement agreement with OTAS. The strength and flexibility of this network is also the strength of the support systems that are offered through OTAS.

## APPENDIX A

### MUTUAL FUND FEES / EXCHANGE TRADED FUND FEES ILLUSTRATION

#### (ILLUSTRATION A)



NOTE: Mutual Funds and Exchange Traded Funds operate relatively in the same manner with internal costs being assessed and taken from the total portfolio balance as compensation for management services.

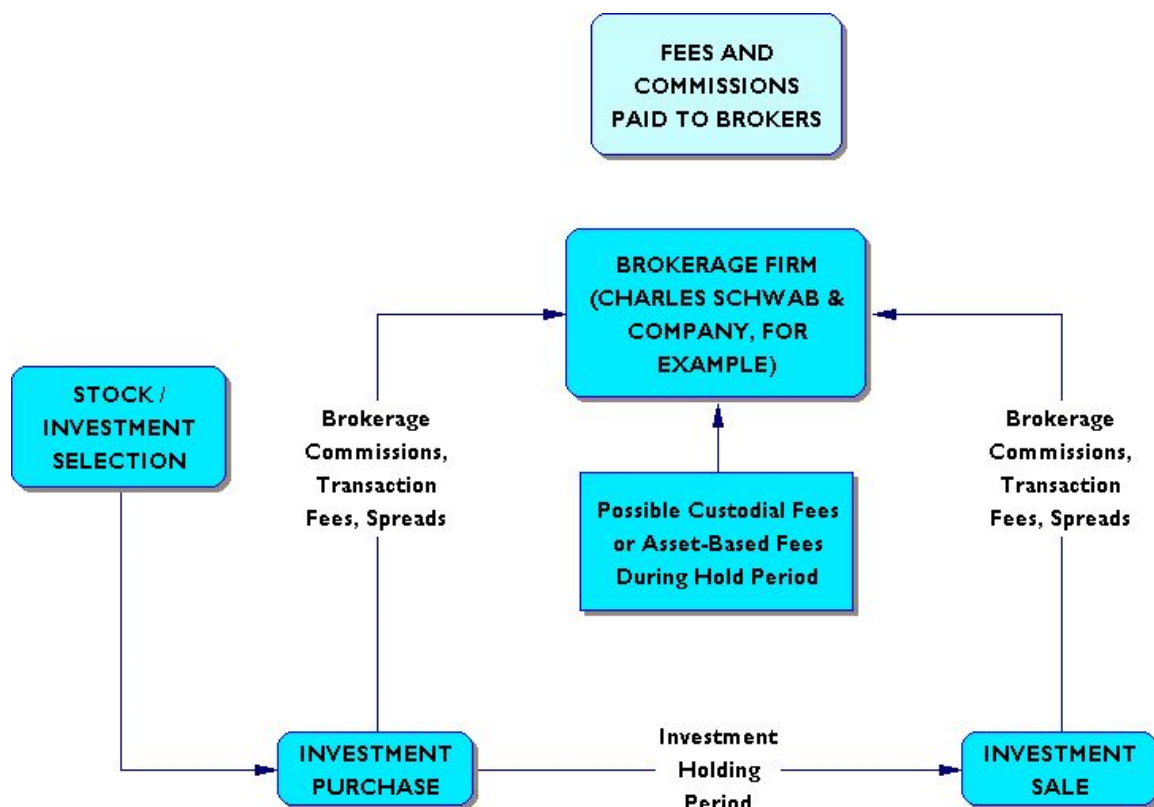
This illustration is not intended to be exhaustive in the methods by which a mutual funds, Exchange Traded Funds and / or brokerage of broker-dealer may access fees, internal charges, commissions or other forms of compensation either directly or paid to third parties. Please see a prospectus to determine all fees and rules associated with and particular fund.

## BROKERAGE FEE ILLUSTRATION

When OTAS investment management services include the use of brokerage services, the broker-dealer will charge commissions and/ or fees for transactions. The broker-dealer may also participate in fees paid to that broker-dealer from a mutual fund company. Clients should be aware that these fees and commissions are paid to the broker-dealer in addition to the OTAS management fee (see Illustration B). The custodial broker-dealer (the place where the client account is held) such as Charles Schwab & Company and others may also charge custodial fees. If a client were to deal directly with the broker-dealer they would pay fees that may be at higher or lower rates and they may not pay an advisory management fee. Custodial fees might or might not also be waived. However, in most cases, the transaction fee associated with acquisitions of stocks, bonds and mutual funds most likely will still be charged to the client.

### BROKERAGE FEE / COMMISSION ILLUSTRATION

(ILLUSTRATION B)



This illustration is not intended to be exhaustive in the methods by which a brokerage of broker-dealer may access fees and commissions. Please see the broker-dealer disclosures for all information pertaining to how they assess commission, fees, transaction charges, etc.

## ADV PART 2B

Armand E. D'Alo is the only individual involved in determining and providing investment advice to clients. It is intended that any individual associated with OTAS who will be involved in determining or giving advice to clients must have successfully passed any examinations required by the states and jurisdiction in which those individuals will render services in their own field of expertise. In addition, those individuals will render services in their own field of expertise. Those individuals must also possess a college or associates degree or certificate in a field related to business, investments, or financial matters and have three years of experience in their chosen field of expertise.

Armand E. D'Alo: Formal education after high school includes a Bachelor of Science degree in finance and family counseling from Brigham Young University in April 1983. Mr. D'Alo took the Series 2 SECO examination in September 1984. He earned the designation of Certified Financial Planner (CFP®) in September 1986. He earned his Certified Divorce Financial Analyst (CDFA™) in November 2005. He became an Enrolled Agent with the IRS in 2011.

At the conclusion of his academic training, Mr. D'Alo taught as an adjunct faculty member of BYU's Salt Lake City campus from September 1983 through November 1984. During this same period, he worked as a staff member for Zinke Maynes & Company in Salt Lake City. He worked as an investment advisor and financial planner from May 1983 through November 1985. Mr. D'Alo worked for Advisor's West in Salt Lake City from November 1985 through March 1986 at which time he moved to Los Angeles, CA to head up the financial planning department of Executive Planning, Inc. This position was from March 1986 through February 1987 at which time Mr. D'Alo started Oak Tree Advisory Services, Inc. (OTAS) as a full-time employee in 1985 and offered limited services through OTAS from 1985 through 1987.

Regarding the status as a **Certified Financial Planner (CFP®)**, the CFP® board offers the following:

The CERTIFIED FINANCIAL PLANNER™, CFP®, and federally registered CFP (with flame design – see inset) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).



The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its

equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real-world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

With regards to the designation of **Certified Divorce Financial Analyst (CDFA)**, the Institute provides the following:

You study one module at a time, complete it, then take an exam based on the material for that module at one of the 300 test sites across the U.S.A. You can select the exam date based on availability at the testing site and your own convenience. After passing each exam, you may start working on the next module until you have completed all four

The four self-study modules are:

- \* Module One: The Fundamentals of Divorce
- \* Module Two: The Financial Issues of Divorce
- \* Module Three: The Tax Issues of Divorce
- \* Module Four: Working as a CDFA™ – Case Studies

The exam for the fourth module, a comprehensive Case Study, is an "open book" exam that you take in your own office. Along with Module Four, you will receive the Divorce Settlement Analyst™ software as well as instructions on how to use it to illustrate the short-term and long-term financial impact of proposed divorce settlements. After



completing the case study exam, you will send it to the Institute for Divorce Financial Analysts™ (IDFA™) for personalized grading and comments. Upon successful completion of the comprehensive case study exam, you will receive a certificate and designation as a Certified Divorce Financial Analyst™ (CDFA™).

IDFA™ has been accepted by the CFP-Board, The American College, and the National Association of State Boards of Accountancy (NASBA) as CE Providers for 32 CE credits for CFP, ChFC and CLU, 32 PACE credits, and 25 CPE credits.

To maintain the CDFA™ designation current, certificants are required to complete 20 credits every 2 years.

Further, the CDFA Code of ethics, similar to the CFP® code of ethics is as follows:

#### IDFA™ Code of Ethics and Professional Responsibility

This document is provided as an expression of the ethical standards that the Institute for Divorce Financial Analysts™ (IDFA™) has adopted and every Certified Divorce Financial Analyst™ (CDFA™) has agreed to abide by. The code applies to every CDFA™ designee and candidate in conducting divorce-planning work.

1. Integrity—Maintain the highest standard of honesty and integrity when dealing with colleagues, the IDFA™, clients, or lawyers. Avoid practices that would dishonor your profession, IDFA™, or any of its members and employees.
2. Competence —In addition to satisfying the continuing education requirements needed to maintain the use of the designation, every CDFA™ should serve their clients competently. Therefore, acquiring the necessary knowledge and skills to do so in the area of divorce planning is required.
3. Objectivity—Objectivity requires a CDFA™ to be intellectually honest and impartial. Regardless of who hired him or her, a CDFA™ must always be objective when dealing with clients and their lawyers.
4. Fairness—CDFA™s who maintains their financial practices should make divorce-planning recommendations independent of the potential financial-planning relationship; doing so will alleviate the risk of potential conflict of interest. A CDFA™ will need to separate the two practices so as not to confuse the public.
5. Confidentiality—A CDFA™ shall hold client information to the highest standard of confidentiality. Short of client consent or appropriate legal process, a CDFA™ shall not release any information about their client before, during, or after the divorce.
6. Professionalism—A CDFA™'s interactions shall project the highest levels of professionalism. Whether dealing with clients, lawyers, IDFA™ or any of its partners or subsidiaries, a CDFA™ will behave in a professional manner.
7. Scope—A CDFA™, by education and training, is specialist dealing in the financial issues of divorce. Working alongside a lawyer who is licensed to practice law, a CDFA™ must never (unless licensed to do so) advise clients on their legal rights. In

addition, a CDFA™ must never market his or her services in a misleading fashion or represent themselves as representatives of IDFA™.

8. Compliance—A CDFA™ will comply with all the laws related to the business they conduct and report to the IDFA™ any actions by other CDFA™s that are illegal or in violation of this code. In addition, a CDFA™ will comply with any requests from the IDFA™ for information regarding any complaints brought against him or her. If IDFA™, after a comprehensive investigation, decides that either suspension or revocation of the CDFA™ designation is the proper remedy, the CDFA™ will comply with the order.

9. Unauthorized practice of law—A CDFA™ understands that, in order to practice law, one has to be licensed. Under no circumstances will a CDFA™ represent that the IDFA™ certification is a license to practice law.

10. Support—ACDFA™ will always support our profession and the IDFA™ as the main driving force behind the progress of the profession. Additionally, a CDFA™ will not collude, debase, or discredit the IDFA™ or the profession.

Robbin M. D'Alo: Formal education included attending Brigham Young University majoring in education from June 1975 through April 1978. She earned an Associate Degree in paralegal studies at Palomar Community College in 1997. Ms. D'Alo earned her Certified Legal Assistant (CLA) designation after sitting for the national examinations in May 1998. Ms. D'Alo completed her Bachelor of Science Degree in Business Administration in June 2004. She also earned her Certified Divorce Financial Analyst (CDFA™) in September 2006. Ms. D'Alo became an Enrolled Agent with the IRS in 2012.

Ms. D'Alo worked in the field of insurance from June 1972 through June 1978. Since that time she has worked in the field of financial planning and paralegal services with OTAS. She currently acts in the capacity of accounting and paralegal services for OTAS.

Regarding the status as a **Certified Legal Assistant (CLA)**, the National Association of Legal Assistants (NALA) Certifying board offers the following:

All Certified Paralegals (CPs) and Certified Legal Assistants (CLAs) must submit evidence of completion of fifty (50) hours of Continuing Legal Education (CLE) every five (5) years, which must include five (5) hours on the subject of legal ethics, to maintain valid certification.

Use of the CLA credential signifies that a paralegal is capable of providing superior services to firms and corporations. National surveys consistently show Certified Legal Assistants/Certified Paralegals are better utilized in a field where attorneys are looking for a credible, dependable way to measure ability. The credential has been recognized by the American Bar Association as a designation which marks a high level of professional achievement. The terms "legal assistant" and "paralegal" are synonymous terms.

The Certified Paralegal examination is divided into five sections. The sections of the examination are as follows:

Communications:

- Word usage and vocabulary
- Grammar/punctuation
- Writing skills
- Nonverbal communications
- General communications related to interviewing and client communications
- General communications related to interoffice office situations

Ethics:

Ethical responsibilities centering on the performance of delegated work including confidentiality, unauthorized practice of law, legal advice, conflict of interest, billing and client communications

- Client/public contact including identification as a non-lawyer, advertising, and initial client contact
- Professional Integrity/competence including knowledge of paralegal codes of ethics
- Relationships with co-workers and support staff
- Attorney codes/discipline
- Knowledge of the American Bar Association's *Rules of Professional Conduct* and the NALA Code of Ethics and Professional Responsibility is required by this examination.

Legal Research:

- Sources of law including primary authority, secondary authority; understanding how the law is recorded
- Research skills including citing the law; shepardizing, updating decisions; procedural rules of citations
- Analysis of research problem including identification of relevant facts and legal issues

Judgment and Analytical Ability

- Comprehension of data – identifying and understanding a problem
- Application of knowledge – the ability to link facts or legal issues from other cases to the problem at hand, recognizing similarities and differences by analogy
- Evaluating and categorizing data
- Organizing data and findings in a written document

Substantive Law:

The substantive law section of the examination is composed of five sub-sections. The first section, the American Legal System, covers concepts of the American legal system. Subjects covered within this section include:

- Court system including their structure and jurisdiction
- Branches of government, agencies, and concepts such as separation of powers
- Legal concepts and principles including sources of law, judicial decision making, the appellate process
- Sources and classifications of law including the constitution, statutes, common law, civil law, statutory law, and equity law

The other four sub-sections are selected by the applicants from a list of nine substantive areas of the law. These tests cover general knowledge of the following practice areas:

- Administrative Law
- Bankruptcy
- Business Organizations
- Civil Litigation
- Contracts
- Criminal Law and Procedure
- Estate Planning and Probate
- Family Law
- Real Estate

The skills required by these tests involve the recall of facts and principles that form the basis of the specialty practice area. Examinees must also demonstrate an understanding of the structure of the law and procedures to be followed in each specialty practice area.

#### NALA Code of Ethics

Each NALA member agrees to follow the canons of the NALA Code of Ethics and Professional Responsibility. Violations of the Code may result in cancellation of membership.

A paralegal must adhere strictly to the accepted standards of legal ethics and to the general principles of proper conduct. The performance of the duties of the paralegal shall be governed by specific canons as defined herein so that justice will be served and goals of the profession attained.

The canons of ethics set forth hereafter are adopted by the National Association of Legal Assistants, Inc., as a general guide intended to aid paralegals and attorneys. The enumeration of these rules does not mean there are not others of equal importance although not specifically mentioned. Court rules, agency rules and statutes must be taken into consideration when interpreting the canons.

NALA members also adopted the ABA definition of a legal assistant/paralegal, as follows:

A legal assistant or paralegal is a person qualified by education, training or work experience who is employed or retained by a lawyer, law office, corporation, governmental agency or other entity who performs specifically delegated substantive legal work for which a lawyer is responsible. (Adopted by the ABA in 1997)

Canon 1. A paralegal must not perform any of the duties that attorneys only may perform nor take any actions that attorneys may not take.

Canon 2. A paralegal may perform any task which is properly delegated and supervised by an attorney, as long as the attorney is ultimately responsible to the client, maintains a direct relationship with the client, and assumes professional responsibility for the work product.

Canon 3. A paralegal must not: (a) engage in, encourage, or contribute to any act which could constitute the unauthorized practice of law; and (b) establish attorney-client relationships, set fees, give legal opinions or advice or represent a client before a court or agency unless so authorized by that court or agency; and (c) engage in conduct or take any action which would assist or involve the attorney in a violation of professional ethics or give the appearance of professional impropriety.

Canon 4. A paralegal must use discretion and professional judgment commensurate with knowledge and experience but must not render independent legal judgment in place of an attorney. The services of an attorney are essential in the public interest whenever such legal judgment is required.

Canon 5. A paralegal must disclose his or her status as a paralegal at the outset of any professional relationship with a client, attorney, a court or administrative agency or personnel thereof, or a member of the general public. A paralegal must act prudently in determining the extent to which a client may be assisted without the presence of an attorney.

Canon 6. A paralegal must strive to maintain integrity and a high degree of competency through education and training with respect to professional responsibility, local rules and practice, and through continuing education in substantive areas of law to better assist the legal profession in fulfilling its duty to provide legal service.

Canon 7. A paralegal must protect the confidences of a client and must not violate any rule or statute now in effect or hereafter enacted controlling the doctrine of privileged communications between a client and an attorney.

Canon 8. A paralegal must disclose to his or her employer or prospective employer any pre-existing client or personal relationship that may conflict with the interests of the employer or prospective employer and/or their clients.

Canon 9. A paralegal must do all other things incidental, necessary, or expedient for the attainment of the ethics and responsibilities as defined by statute or rule of court.

Canon 10. A paralegal's conduct is guided by bar associations' codes of professional responsibility and rules of professional conduct.

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