

Part 2A of Form ADV: Firm Brochure

Form ADV, Part 2A, Item 1

Cover Page

Valor Financial Services, LLC

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August 7, 2020

**FORM ADV PART 2
FIRM BROCHURE**

This brochure provides information about the qualifications and business practices of Valor Financial Services, LLC. If you have any questions about the contents of this brochure, please contact us at (865) 675-1200. 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 Valor Financial Services, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Valor Financial Services, LLC is 309377.

Valor Financial Services, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. Each year, we will ensure that you receive a summary of any material changes to this and subsequent brochures by April 30th. We will further provide you with our most recent brochure at any time at your request, without charge. You may request a brochure by contacting us at **(865) 675-1200**.

Material Changes since the Last Update

Valor Financial Services, LLC submitted for registration under the U.S. Securities and Exchange Commission in July 2020.

The following material changes in the nature of business have occurred since the initial filing on May 13, 2020.

- Valor Financial Services was established as a new investment adviser in May 2020 under the State of Tennessee Securities Division.
- Valor Financial Services submitted for registration under the U.S. Securities and Exchange Commission in July 2020.
- Valor Financial Services move from a Sole Proprietorship under the complete ownership of William Timm and became an LLC with new ownership of 75% by William Timm and 25% by Brian Russell.

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Advisory Business

Valor Financial Services, LLC (hereinafter called "VFS") is an investment adviser based in Knoxville, Tennessee, and incorporated under the laws of the State of Tennessee. VFS is owned by William Timm and Brian Russell. VFS is registered with the U.S. Securities and Exchange Commission and is subject to its rules and regulations. Founded in May 2020, VFS provides investment advisory services, which may include, but are not limited to, the review of client investment objectives and goals, recommending asset allocation strategies of managed assets among investment products such as cash, stocks, mutual funds and bonds, annuities, and/or preparing written investment strategies. Our investment advice is tailored to meet our clients' needs and investment objectives. Clients may impose restrictions on investing in certain securities or types of securities (such as a product type, specific companies, specific sectors, etc.) by providing a signed and dated written notification, of which an e-mail is also an acceptable form of notification. VFS also provides financial planning consulting services including, but not limited to, risk assessment/management, investment planning, estate planning, financial organization, or financial decision making/negotiation.

VFS provides investment advisory and other financial services through its Investment Advisory Representatives ("IAR") to accounts opened with VFS. Managed accounts are available to individuals.

VFS provides discretionary and non-discretionary investment advisory services to some of its clients through various managed account programs. VFS will assist clients in determining the suitability of the managed account programs for the client. The IAR is compensated through a comprehensive single fee and the account may be assessed other charges associated with conducting a brokerage business. VFS and its IAR, as appropriate, will be responsible for the following:

- Performing due diligence
- Recommending strategic asset and style allocations
- Providing research on investment product options, as needed
- Providing client risk profile questionnaire
- Obtaining investment advisory contract from client with required financial, risk tolerance, suitability and investment vehicle selection information for each new account
- Performing client suitability check on account documentation, review the investment objectives and evaluate the investment vehicle selections
- Providing Firm Brochure (this document)

VFS does not currently offer Wrap Fee accounts.

The firm currently has the following assets under management as of July 9, 2020.

Discretionary Accounts: \$104,000,000 Non-Discretionary Accounts: \$0

Fees and Compensation

The following types of fees will be assessed:

Asset Management – Fees are charged quarterly in advance and are based primarily on asset sized and the level of complexity of the services provided. In individual cases, VFS has the sole discretion to negotiate fees that are lower than the standard fee shown or to waive fees. Fees are not based on the share of capital gains or capital appreciation of the funds or any portion of the funds. Comparable services for lower fees may be available from other sources. Fees for the initial quarter will be prorated based upon the number of calendar days in the calendar quarter that the advisory agreement is in effect. Fees are based on the market value of the assets on the last business day of the previous quarter. Annual fees range from 0.50% - 1.90%, depending on the amount of assets under management (“AUM”) – See chart below. Financial planning and consulting services are included in the fees below for asset management services.

Fee Schedule for Asset Management:

Total Account Value	Maximum Annual Advisory Fee
Under \$500,000	1.90%
\$500,001 – \$1,000,000	1.50%
\$1,000,001 – \$3,000,000	1.00%
\$3,000,001 or more	0.50%

As authorized in the client agreement, the account custodian withdraws Valor Financial Services, LLC’s advisory fees directly from the clients’ accounts according to the custodian’s policies, practices, and procedures. The custodial statement includes the amount of any fees paid to VFS for advisory services. You should carefully review the statement from your custodian/broker-dealer’s statement and verify the calculation of fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

Fees are charged in advance on a quarterly basis, meaning that advisory fees for a quarter are charged on the first day of the quarter. Clients may terminate investment advisory services obtained from VFS, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with VFS. The client is responsible for any fees and charges incurred by the client from third parties as a result of maintaining the account such as transaction fees for any securities transactions executed and account maintenance or custodial fees. Thereafter, the client may terminate advisory services upon written notice delivered to and received by VFS. Clients who terminate investment advisory services during a quarter are charged a prorated advisory fee based on the date of VFS’s receipt of client’s written notice to terminate. Any earned but unpaid fees are immediately due and payable, and any prepaid and unearned fees will be immediately refunded.

Additional Fees and Expenses

In addition to advisory fees paid to VFS as explained above, clients may pay custodial service, account maintenance, transaction, and other fees associated with maintaining the account. These fees vary by broker and/or custodian. Clients should ask VFS for details on transaction fees or other custodial fees specific to their account, as these fees are not included in the annual advisory fee. VFS does not share any portion of such fees. Additionally, for any mutual funds purchased, the client may pay their proportionate share of the funds' distribution, internal management, investment advisory and administrative fees. Such fees are not shared with VFS and are compensation to the fund manager. Clients are urged to read the mutual fund prospectus prior to investing.

Mutual fund companies impose internal fees and expenses on clients. These fees are in addition to the costs associated with the investment advisory services as described above. Complete details of such internal expenses are specified and disclosed in each mutual fund company's prospectus. Clients are strongly advised to review the prospectus(es) prior to investing in such securities.

Mutual funds purchased or sold in broker-dealer accounts may generate transaction fees that would not exist if the purchase or sale were made directly with the mutual fund company. Mutual funds held in broker-dealer accounts also charge management fees. These mutual fund management fees may be more or less than the mutual fund management fees charged if the client held the mutual fund directly with the mutual fund company.

Clients may purchase shares of mutual funds directly from the mutual fund issuer, its principal underwriter, or a distributor without purchasing the services of VFS or paying the advisory fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge (as described in the mutual fund prospectus) may be more or less than the applicable advisory fee. However, clients would not receive VFS's assistance in developing an investment strategy, selecting securities, monitoring performance of the account, and making changes as necessary.

Please refer to Item 12 "Brokerage Practices" of this brochure for additional information.

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Performance-Based Fees and Side-By-Side Management

Valor Financial Services, LLC does not charge performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or appreciation of the assets of a client. Our fees are calculated as described in Fees and Compensation section above and are not charged on the basis of performance of your advisory account.

Types of Clients

VFS offers investment advisory services to individuals. There is no minimum account size to open and maintain an advisory account.

Methods of Analysis, Investment Strategies, and Risk of Loss

VFS's methods of analysis and investment strategies incorporate the client's needs and investment objectives, time horizon, and risk tolerance. VFS is not bound to a specific investment strategy for the management of investment portfolios, but rather consider the risk tolerance levels pre-determined gathered at the account opening, as well as on an on-going basis. Examples of methodologies that our investment strategies may incorporate include:

Asset Allocation – Asset Allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk.

Dollar-Cost Averaging – Dollar-cost averaging is the technique of buying a fixed dollar amount of securities at regularly scheduled intervals, regardless of the price per share. This will gradually, over time, decrease the average share price of the security. Dollar-cost averaging lessens the risk of investing a large amount in a single investment at the wrong time.

Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

Long-Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short-Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

Our strategies and investments may have unique and significant tax implications. Regardless of your account size or other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Investing in securities involves risk of loss that clients should be prepared to bear. Although we manage your portfolio with strategies and in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk. Regardless of the methods of analysis or strategies suggested for your particular investment goals, you should carefully consider these risks, as they all bear risks.

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Disciplinary Information

Valor Financial Services, LLC or its Principal Executive Officers have not had any reportable disclosable events in the past ten years.

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Other Financial Industry Activities and Affiliations

IARs with VFS may also be independent insurance agents. Not more than 10% of their time is spent on these activities. From time to time, they may offer clients advice or products from those activities. The IARs may receive separate yet typical compensation in the form of commissions for the sale of insurance products.

These practices present a conflict of interest because it gives the IAR an incentive to recommend products based on the commission amount received. This conflict is mitigated by the fact that IARs of VFS have a fiduciary responsibility to place the best interest of the client first and the clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

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

VFS's Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect client interests at all times and to demonstrate our commitment to fiduciary duties of honesty, good faith, and fair dealing. All of VFS's Associated Persons are expected to strictly adhere to these guidelines. Persons associated with Valor Financial Services, LLC are also required to report any violations to the Code of Ethics. Additionally, the firm maintains and enforces written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about our clients or client accounts by persons associated with our firm.

VFS and its employees may buy or sell securities that are also held by clients. It is the expressed policy of the advisor that no person employed by our firm purchase or sell any security prior to the

transaction being implemented for an advisory account; therefore, preventing such employees from benefiting from transactions placed on behalf of the advisory clients.

The advisor may have an interest or position in a certain security, which may also be recommended to the client. As these situations may present a conflict of interest, the advisor has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer or employee of the advisor shall not buy or sell a security for their personal portfolio(s) where their decision is substantially derived, in whole or part, by reason of his or her employment, unless the information is also available to the investing public. No owner/employee of VFS shall prefer their own interest to that of the client.
2. The advisor maintains a list of all securities held by the company and all directors, officers, and employees. These holdings are reviewed on a quarterly basis by the principal of the firm.
3. The advisor requires that all employees must act in accordance with all applicable Federal and State regulations governing registered investment advisors.
4. The advisor may block personal trades with those of clients but will ensure that clients are not at a disadvantage.

VFS's Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting William Timm at (865) 675-1200.

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Brokerage Practices

In order for VFS to provide asset management services, we request you utilize the brokerage and custodial services of Charles Schwab & Co., Inc. ("Schwab"). Schwab is an independent SEC-registered broker dealer and is separate and unaffiliated with VFS. Schwab offers services to independently registered investment advisors which include custody of securities, trade execution and clearance and settlement of transactions. The firm receives some benefits from Schwab through its participation in the Schwab Advisor Services program, as described in greater detail below.

VFS evaluates broker dealer/custodians based on our projected AUM and the best fit for our business model. In considering which independent qualified custodian would be the best fit for VFS's business model, we evaluate the following factors, which is not an all-inclusive list:

- Financial strength
- Reputation
- Reporting capabilities
- Execution capabilities
- Pricing, and
- Types and quality of research

While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including, but not limited to

research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm.

You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer.

While VFS has no formal soft dollars program in which soft dollars are used to pay for third party services, VFS may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). VFS may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and VFS does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. VFS benefits by not having to produce or pay for the research, products or services, and VFS will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that VFS's acceptance of soft dollar benefits may result in higher commissions charged to the client.

VFS does not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

When VFS buys or sells the same security for two or more clients (including our personal accounts), we may place concurrent orders to be executed together as a single "block" in order to facilitate orderly and efficient execution. Each client account will be charged or credited with the average price per unit. We receive no additional compensation or remuneration of any kind because we aggregate client transactions. No client is favored over any other client. If an order is not completely filled, it is allocated pro-rata based on an allocation statement prepared by VFS prior to placing the order. Because of an order's aggregation, some clients may pay higher transaction costs, or greater spreads, or receive less favorable net prices on transactions than would otherwise be the case if the order had not been aggregated.

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Review of Accounts

Client accounts are reviewed at least quarterly by William Timm, Principal Executive Officer of the firm. William Timm reviews clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at VFS are assigned to this reviewer.

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Each client will receive at least quarterly a written report that details the clients' account which will come from the custodian.

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Client Referrals and Other Compensation

VFS does not compensate any individual or firm for client referrals. In addition, VFS does not receive compensation for referring clients to other professional service providers.

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Custody

VFS does not have physical custody of any client funds and/or securities and does not take custody of client accounts at any time. Client funds and securities will be held with a bank, broker dealer, or other independent qualified custodian. However, by granting VFS written authorization to automatically deduct fees from client accounts, VFS is deemed to have limited custody. You will receive account statements from the independent, qualified custodian holding your funds at least quarterly. The account statement from your custodian will indicate the amount of advisory fees deducted from your account(s) each billing cycle. Clients should carefully review statements received from the custodian. VFS also sends quarterly invoices detailing the manner and amount of advisory fees to all clients.

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Investment Discretion

Before VFS can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a limited power of attorney, and/or trading authorization forms. By choosing to do so, you may grant the firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. Clients may impose limitations on discretionary authority for investing in certain securities or types of securities (such as a product type, specific companies, specific sectors, etc.), as well as other limitations as expressed by the client. Limitations on discretionary authority are required to be provided to the IAR in writing. Please refer to the "Advisory Business" section of this Brochure for more information on our discretionary management services.

Voting Client Securities

We do not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Financial Information

VFS is not required to provide financial information to our clients because we do not require or solicit the prepayment of more than \$1200 six or more months in advance.

Requirements for State-Registered Advisers

This section is not applicable as VFS is SEC registered and not state registered.