

Firm Brochure

(Part 2A of Form ADV)

TILLMAN HARTLEY LLC

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This brochure provides information about the qualifications and business practices of TILLMAN HARTLEY LLC. If you have any questions about the contents of this brochure, please contact us at: (352) 335-9015, or by email at: info@tillmanhartley.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about TILLMAN HARTLEY LLC is available on the SEC's website at www.adviserinfo.sec.gov.

March 27, 2020

Item 2. Material Changes

Annual Update

Our Firm Brochure (Part 2A of Form ADV) is reviewed at least annually and is updated when material changes occur since the previous release of our Firm Brochure (Part 2A of Form ADV).

Material Changes since the Last Update

Tillman Hartley LLC has not made any material changes to its Firm Brochure since it published its last annual Firm Brochure dated March 28, 2019.

Full Brochure Available

Whenever you would like to receive a copy of our Firm Brochure (Part 2A of Form ADV), please contact us by telephone at: (352) 335-9015 or by email at: info@tillmanhartley.com.

Item 3. Table of Contents

| | |
|---|----------|
| Item 2. Material Changes | i |
| Annual Update | i |
| Material Changes since the Last Update | i |
| Full Brochure Available | i |
| Item 4. Advisory Business..... | 1 |
| Firm Description..... | 1 |
| Principal Owners..... | 1 |
| Types of Advisory Services..... | 2 |
| Tailored Relationships | 2 |
| Types of Agreements..... | 2 |
| Investment Advisor Agreement..... | 2 |
| Family Board of Directors™ Agreement | 3 |
| Asset Management | 3 |
| Termination of Agreement | 3 |
| Item 5. Fees and Compensation..... | 4 |
| Description | 4 |
| Fee Billing | 5 |
| Other Fees..... | 5 |
| Expense Ratios..... | 5 |
| Termination of Agreement | 5 |
| Item 6. Performance-Based Fees & Side-By-Side Management..... | 6 |
| Sharing of Capital Gains | 6 |
| Side-By-Side Management | 6 |
| Item 7. Types of Clients | 6 |
| Description..... | 6 |
| Account Minimums..... | 6 |
| Item 8. Methods of Analysis, Investment Strategies, and Risk of Loss | 6 |
| Investment Strategies | 6 |
| Methods of Analysis..... | 8 |
| Risk of Loss | 8 |

| | |
|--|-----------|
| Item 9. Disciplinary Information | 9 |
| Legal and Disciplinary..... | 9 |
| Item 10. Other Financial Industry Activities and Affiliations | 9 |
| Financial Industry Activities..... | 10 |
| Affiliations | 10 |
| Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..... | 10 |
| Code of Ethics..... | 10 |
| Participation or Interest in Client Transactions..... | 10 |
| Personal Trading..... | 11 |
| Item 12. Brokerage Practices | 11 |
| Selecting Brokerage Firms..... | 11 |
| Best Execution | 12 |
| Soft Dollars | 12 |
| Order Aggregation | 12 |
| Item 13. Review of Accounts..... | 12 |
| Periodic Reviews | 12 |
| Review Triggers..... | 13 |
| Regular Reports..... | 13 |
| Item 14. Client Referrals and Other Compensation..... | 13 |
| Incoming Referrals..... | 13 |
| Referrals Out | 13 |
| Item 15. Custody..... | 13 |
| Deduction of Fees..... | 13 |
| Account Statements..... | 13 |
| Performance Reports..... | 13 |
| Assets under Management and Assets under Advisement..... | 14 |
| Standing Letters of Authorization | 14 |
| Michael Tillman or Kevin Schwall Serving as Co-trustee | 14 |
| Item 16. Investment Discretion | 14 |
| Discretionary Authority for Trading..... | 14 |
| Limited Power of Attorney..... | 15 |

| | |
|---|-----------|
| Item 17. Voting Client Securities..... | 15 |
| Proxy Votes | 15 |
| Item 18. Financial Information..... | 15 |
| Financial Condition | 15 |

Item 4. Advisory Business

Firm Description

TILLMAN HARTLEY LLC was founded in 1999.

TILLMAN HARTLEY LLC provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

TILLMAN HARTLEY LLC is a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

TILLMAN HARTLEY LLC provides investment advice as an integral part of financial planning. TILLMAN HARTLEY LLC advises clients regarding cash flow management, charitable giving, and college, retirement, tax, and estate planning.

Each client's initial situation is evaluated and documented. Periodic reviews are provided. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended. Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the event they should occur.

TILLMAN HARTLEY LLC provides *Family Board of Directors™* services, which it pioneered and trademarked. *Family Board of Directors™* services are recommended when a family's assets and family related entities (such as charitable trusts and foundations) reach a level of complexity where a team of professionals is helpful. TILLMAN HARTLEY LLC arranges a team of professionals that meet (in person or by teleconference) on a quarterly basis with the client and invited family members.

Principal Owners

MICHAEL TILLMAN is the principal owner and Member of TILLMAN HARTLEY LLC. Michael D. Lambert, Gary W. Lutes, Jr., Kevin R. Schwall and Benjamin R. Cannon are Members (shareholders) of TILLMAN HARTLEY LLC.

Types of Advisory Services

TILLMAN HARTLEY LLC provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; and furnishes investment advice through consultations.

On more than an occasional basis, TILLMAN HARTLEY LLC furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that may include estate planning.

TILLMAN HARTLEY LLC classifies assets it manages as Assets under Management and Assets under Advisement. As of December 31, 2019, TILLMAN HARTLEY LLC managed approximately \$483,299,000 in Assets under Management and approximately \$62,756,000 in Assets under Advisement. Approximately \$483,176,000 is managed on a discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Types of Agreements

The following agreements define the typical client relationships.

Investment Advisor Agreement

After the client's financial affairs are reviewed, measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented. A written Investment Policy Statement is prepared, reviewed with the client, agreed changes made, and approval obtained from the client. The client's accounts are monitored quarterly for adherence to the Investment Policy Statement, and at least annually the Investment Policy Statements are reviewed and clients are given the opportunity to update any changes.

The scope of work and fees are stated in an Investment Advisor Agreement provided to the client in writing prior to the start of the client relationship.

The annual Investment Advisor Agreement fee is based on a percentage of the Assets under Management and Assets under Advisement and ranges from 0.35% to 1.0%. TILLMAN HARTLEY LLC does not accept compensation from the sale of securities or other investment products.

Fee Agreements may not be assigned without client consent.

Family Board of Directors™ Agreement

A *Family Board of Directors™ Agreement* is used when a family's assets and family related entities (such as charitable trusts and foundations) reach a level of complexity where a team of professionals is helpful. TILLMAN HARTLEY LLC arranges a Team of professionals that meet (in person or by teleconference) on a quarterly basis with the client and invited family members.

The scope of work and fees for a *Family Board of Directors™ Agreement* is provided to the client in writing prior to the start of the client relationship.

Family Board of Directors™ Agreement fee is negotiated on a client by client basis according to the level of service required. The fee is based on a percentage of the Assets under Management and Assets under Advisement and ranges from 0.35% to 1.0%. TILLMAN HARTLEY LLC usually shares some of the fees with other professionals who serve on the *Family Board of Directors™*. Fee sharing is fully disclosed to client and a signed disclosure agreement is signed by all parties. TILLMAN HARTLEY LLC does not accept compensation from the sale of securities or other investment products.

Fee Agreements may not be assigned without client consent.

Asset Management

Assets are invested primarily in no-load mutual funds and exchange-traded funds through broker/dealer-custodians. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Broker/dealer-custodians usually charge a transaction fee for the purchase of funds.

Stocks and bonds may be purchased or sold through a broker-custodian account when appropriate. The broker/dealer-custodian usually charges a fee for stock and bond trades. TILLMAN HARTLEY LLC does not receive any compensation, in any form, from fund companies or broker-custodians.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, variable life insurance, U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through TILLMAN HARTLEY LLC.

Termination of Agreement

A client has the right to terminate the Investment Advisor Agreement without penalty within five (5) business days after entering into an investment advisory agreement. Thereafter, the client or TILLMAN HARTLEY LLC may terminate an Agreement by written notice to the other party. Fees are billed in advance. At termination, fees will be refunded on a pro rata basis for the portion of the quarter after termination. The portfolio value at the completion

of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Item 5. Fees and Compensation

Description

TILLMAN HARTLEY LLC's fees are based on a percentage of the client's assets. TILLMAN HARTLEY LLC offers two fee structures, an All-Inclusive Account ("Wrap Fee") in which you pay an asset-based fee ("Advisory Fee") and a Non-Inclusive Account ("Non-Wrap Fee") in which you pay transaction costs as well as the Advisory Fee. Information regarding TILLMAN HARTLEY LLC's Wrap Fee Account is available in its Wrap Brochure, which is available upon request. TILLMAN HARTLEY LLC's fees do not include any management or other fees charged by mutual fund companies. The S.E.C. charges minor transaction fees on certain security sales - these fees are deducted directly from sales proceeds. TILLMAN HARTLEY LLC may charge a set minimum fee if the percentage fee on assets is insufficient to cover the scope of the work.

In most cases there are no additional expenses. If however, extraordinary services are required, a set or hourly fee may be charged and agreed upon in advance.

Fees are billed in advance each calendar quarter at 1/4 of the annual rate. The annual rate is usually between 0.35% and 1%. The rate is applied to client assets under management as follows:

- January 1st fee based on ending value of assets on September 30th of previous year
- April 1st fee is based on ending value of assets on December 31st of previous year
- July 1st fee is based on ending value of assets on March 31st of current year
- October 1st fee is based on ending value of assets on June 30th of current year

When the account opens, it is billed on a pro-rata basis on the portion of the calendar quarter billing period remaining. The first two billings are based on the initial client assets under management. Upon cancellation of agreements, any unused prepaid fees are refunded pro-rata. TILLMAN HARTLEY LLC shares fees with registered "sub-advisors" for services rendered.

TILLMAN HARTLEY LLC furnishes investment advice through consultations not involving investment supervisory services. TILLMAN HARTLEY LLC uses the processes described above to provide investment advice on a fixed fee basis. The fixed fee is determined on a case by case basis taking into account the scope of the work. The fixed fee is payable at the time the

service is provided. Refunds are made based on the amount of the work remaining to be completed.

On more than an occasional basis, TILLMAN HARTLEY LLC furnishes advice on matters not involving securities. This happens primarily with client families on which an employee of TILLMAN HARTLEY LLC is a member of the client's Family Board of Directors™ which may consider a myriad of issues affecting the family not involving securities. Fees for this advice are included in the fees charged for investment supervisory services.

TILLMAN HARTLEY LLC does not accept compensation from the sale of securities or other investment products.

TILLMAN HARTLEY LLC may charge an additional investment management fee based on a percentage of assets in a variable life insurance policy under a written fee agreement with client.

Fee Billing

Investment management fees are billed quarterly, in advance, meaning that we invoice the client when the three-month billing period begins. Fees are typically deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds.

TILLMAN HARTLEY LLC, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% annually for their services. These fees are in addition to the fees paid by the client to TILLMAN HARTLEY LLC and are not shared with TILLMAN HARTLEY LLC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Termination of Agreement

A client has the right to terminate the Investment Advisor Agreement without

penalty within five (5) business days after entering into an investment advisory agreement. Thereafter, TILLMAN HARTLEY LLC or the client have the right to terminate the client relationship at any time. Any unused portion of fees collected in advance will be refunded within 30 days.

Item 6. Performance-Based Fees & Side-By-Side Management

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

TILLMAN HARTLEY LLC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk to the client.

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.

TILLMAN HARTLEY LLC does not participate in side-by-side management.

Item 7. Types of Clients

Description

TILLMAN HARTLEY LLC generally provides investment advice to individuals, families, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

For Family Board of Directors™ clients, TILLMAN HARTLEY LLC generally imposes a minimum dollar amount of \$40,000,000 of assets under management and advisement.

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

Investment Strategies

TILLMAN HARTLEY LLC provides investment supervisory services.

Clients are interviewed to determine their goals, objectives, and time horizon to major withdrawals. Clients complete a survey to measure their financial risk tolerance. Their current portfolio is analyzed. A risk profile is developed taking into account clients' need to take risk, their capacity to take risk, and their tolerance for risk. Based on all of the above, preliminary portfolios are designed and tested with statistical and stochastic analysis. After discussion with clients regarding the design and testing of preliminary portfolios, an Investment Policy Statement is prepared and signed outlining how the investments will be invested and managed. Investment of the portfolio is then implemented according to the Investment Policy Statement.

In implementing client portfolios, particular attention is given to diversification and cost. TILLMAN HARTLEY LLC has no arrangement with any company or other entity to favor or recommend their investments. TILLMAN HARTLEY LLC serves as independent Investment Counsel.

TILLMAN HARTLEY LLC is approved by Dimensional Fund Advisors to use their mutual funds and separately managed accounts, which TILLMAN HARTLEY LLC often does, but is not bound to. Dimensional Funds Advisors may only be purchased through an authorized advisor. This restriction may impact transfers of assets out to other advisors if a client decides to move accounts. Dimensional Fund Advisors pays no fee or commission to TILLMAN HARTLEY LLC. TILLMAN HARTLEY LLC subscribes to research and other web-based services published by Dimensional Fund Advisors. Dimensional Fund Advisors does not charge a subscription fee for its services, however its model portfolios may include recommendations for investment products offered or managed by Dimensional Fund Advisors. TILLMAN HARTLEY LLC representatives may attend user conferences sponsored by Dimensional Fund Advisors and have access to consultants for which it does not charge. Because Dimensional Fund Advisors affiliates earn revenue from investments in its respective investment products, it does not charge TILLMAN HARTLEY LLC fees for these services. These discounts create a conflict of interest for the Advisor.

Client portfolios are reviewed at least quarterly. At that time, or more frequently if there are contributions or withdrawals from the account, rebalancing is considered. Annually the Investment Policy Statement is reviewed and the portfolio re-engineered if warranted.

For families with total assets over \$40,000,000 TILLMAN HARTLEY LLC collects extensive information about the personal and business interests of the client family and develops a comprehensive multi-generational plan to accomplish the goals and objectives of the client family.

Computer modeling is used to test financial and economic strategies. A Family Board of Directors™ is created which usually consists of clients, family members, other professionals, or employees of TILLMAN HARTLEY LLC. The purpose of the Family Board of Directors™ is to maintain and monitor the plans and strategies developed for the client family. As the governing

instruments are formed, TILLMAN HARTLEY LLC will monitor the terms and conditions of these instruments, including oversight of tax and information return filing. TILLMAN HARTLEY LLC provides for the development of an appropriate Investment Policy Statement. TILLMAN HARTLEY LLC organizes, implements, and administers the family financial structure in accordance with the family's unique set of values, goals, and objectives. To administer the Family Board of Directors™, TILLMAN HARTLEY LLC oversees the establishment of accounts and advisory relationships, monitors these for Investment Policy Statement compliance; establishes appropriate benchmarks for investment performance measurement and provides for adaptation to changing conditions and family objectives; and maintains documents, records, comprehensive financial information, and current information about investment strategies and tax matters.

Sources of information for TILLMAN HARTLEY LLC investment strategies include conferences and individual meetings with other investment professionals, following financial economics research, and meetings with financial economics professors at University of Florida, University of Chicago, and Dartmouth. Other sources of information that TILLMAN HARTLEY LLC may use include financial newspapers and magazines.

As the need arises, TILLMAN HARTLEY LLC establishes relationships with other registered entities to carry out investment alternatives. TILLMAN HARTLEY LLC may have fee sharing arrangements with these other relationships. These fees can be based on a percentage of the fees collected by TILLMAN HARTLEY LLC or a flat fee for services. All of these fees are charged only after disclosure to client, and with client's consent.

Methods of Analysis

Security analysis is done primarily through fundamental analysis, including inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases and the World Wide Web.

Risk of Loss

All investment programs have risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular

underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance business operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy or a declining market value.
- There may be a higher level of risk with leveraged and inverse exchange traded products because, to accomplish their objectives, they may pursue a range of investment strategies through the use of swaps, futures contracts, and other derivative instruments.

Item 9. Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10. Other Financial Industry Activities and Affiliations

Financial Industry Activities

Neither TILLMAN HARTLEY LLC, nor any of its managers or employees, is a broker dealer, registered representative of a broker dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Affiliations

TILLMAN HARTLEY LLC has arrangements that are material to its advisory and its clients with related persons who are a broker-dealer, investment company, other investment advisor, accounting firm, or law firm.

Dale K. Ehrhart, Inc. (DKE, Inc.) - TILLMAN HARTLEY LLC has arrangements with DKE, Inc. to provide sub-advisor services to clients. Michael T. Hartley, a former member of TILLMAN HARTLEY LLC is a Director, Officer and stockholder of DKE, Inc. DKE, Inc. is a registered investment advisor.

DKE, Inc. offers life insurance to its clients. There is no relationship or arrangement between DKE, Inc. and TILLMAN HARTLEY LLC concerning life insurance. However, clients of TILLMAN HARTLEY LLC may use DKE, Inc. to procure life insurance.

TILLMAN HARTLEY LLC has a relationship with Michael Tillman, J.D., an estate and charitable tax planning attorney, who is a member and Manager of TILLMAN HARTLEY LLC. Michael Tillman, J.D. drafts legal documentation and renders legal advice to clients, and frequently collaborates with other law firms. TILLMAN HARTLEY LLC clients are free to select any law firm to draft legal documents and render legal advice. Clients are under no obligation to retain Michael Tillman, J.D. for their legal services. Services provided by Michael Tillman, J.D. are billed separately according to an engagement letter agreed upon by the client.

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

Code of Ethics

The employees of TILLMAN HARTLEY LLC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request. For a copy of the Code of Ethics, a written request should be sent to info@tillmanhartley.com.

Participation or Interest in Client Transactions

TILLMAN HARTLEY LLC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead

of client trades. Employees comply with the provisions of the TILLMAN HARTLEY LLC Policy and Procedures Manual.

Personal Trading

The Chief Compliance Officer of TILLMAN HARTLEY LLC is Ben Cannon. He or Kevin Schwall reviews all reportable employee trades each quarter. His trades are reviewed by Kevin Schwall. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Item 12. Brokerage Practices

Selecting Brokerage Firms

TILLMAN HARTLEY LLC does not have any affiliation with brokerage or product sales firms. Specific broker/dealer-custodian recommendations are made to clients based on their need for such services. TILLMAN HARTLEY LLC recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

TILLMAN HARTLEY LLC recommends brokerage firms and trust companies (qualified custodians), such as Charles Schwab & Co., Inc. (Institutional), and National Financial Services LLC.

TILLMAN HARTLEY LLC does not receive fees or commissions from any of these arrangements.

Disbursements can only be made from client accounts upon written order from client. If client asks for funds to be sent to client at an address different than the address of record, the broker/dealer-custodian generally requires a signature. Systematic withdrawals can be arranged by forms supplied by the registered broker-dealer/custodian which will be furnished to client by TILLMAN HARTLEY LLC.

Broker/dealer-custodians are chosen based on their ability to deliver a blend of execution services, reasonable commission costs, technology, and professionalism. Annually TILLMAN HARTLEY LLC compiles a list of broker/dealer-custodians to consider and compares the above factors amongst them. On some client accounts, clients have requested the use of specific broker/dealer-custodians and TILLMAN HARTLEY LLC has agreed to use them.

TILLMAN HARTLEY LLC has no arrangement where it receives particular products, research, or services in exchange for using a specific custodian/broker-dealer. Broker/dealer-custodians do provide the following services to TILLMAN HARTLEY LLC:

- Trading desk
- Account services manager
- Access to a real-time order matching system
- Electronic download of trades
- Balances and positions
- Duplicate and batched client statements
- Confirmations
- Year-end summaries
- Access to particular mutual funds

Clients of TILLMAN HARTLEY LLC may be able to pay lower commissions to broker/dealer-custodians who may not provide the above listed services.

TILLMAN HARTLEY LLC does not use any specific research from its broker/dealer-custodians. Any general knowledge acquired from a custodian/broker-dealer would be used to benefit all client accounts as TILLMAN HARTLEY LLC deemed appropriate.

TILLMAN HARTLEY LLC has never had any procedures to direct client transactions to a particular broker in return for product and research services received.

Best Execution

Tillman Hartley LLC conducts annual reviews of the firm's brokerage and best execution policies and documents these reviews.

Soft Dollars

TILLMAN HARTLEY LLC as a matter of policy does not accept or participate in soft dollar arrangements.

Order Aggregation

Orders are not aggregated. Therefore, the client may pay more or less than a client buying or selling the same security because of market fluctuations. However, most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Item 13. Review of Accounts

Periodic Reviews

Account reviews are performed on a quarterly basis in order to determine if the current investment holdings of the account are consistent with the client's investment objectives. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's situation.

Regular Reports

Clients will be provided monthly statements by their broker-dealer/custodian. These statements will include account activity, cash balances, and securities held. Clients are provided quarterly reports by TILLMAN HARTLEY LLC showing aggregated account holdings and tax effects of investment activity for the year to date.

Item 14. Client Referrals and Other Compensation

Incoming Referrals

TILLMAN HARTLEY LLC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources. TILLMAN HARTLEY LLC does no national advertising. In lieu of advertising, the firm may compensate referring parties for these referrals with full disclosure to the client.

Referrals Out

TILLMAN HARTLEY LLC does not accept referral fees or any form of remuneration from other professionals when a potential client is referred to them.

Item 15. Custody

Deduction of Fees

TILLMAN HARTLEY LLC has custody of clients' funds to the extent that it has the ability to deduct fees from clients' accounts.

Account Statements

Assets under Management are held at qualified custodians. Qualified custodians are required to provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by TILLMAN

HARTLEY LLC.

Assets under Management and Assets under Advisement

Client assets are classified as either Assets under Management or Assets under Advisement. Assets under Management include client's security portfolios. All other assets are classified as Assets under Advisement. Clients retain custody of Assets under Advisement.

Standing Letters of Authorization

TILLMAN HARTLEY LLC is deemed to have custody when clients authorize us via standing letters of instruction to direct funds to third-parties from their custodial accounts. In connection with standing letters of instruction a client must provide signed written instruction to the broker-dealer/custodian to direct transfers to a third party, which the client may instruct the broker-dealer/custodian to terminate or change at any time. TILLMAN HARTLEY LLC has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction. The broker-dealer/custodian will verify the instruction with an initial notice, provide the client with a transfer of funds notice promptly after each transfer, and an annual notice reconfirming the instruction. TILLMAN HARTLEY LLC and its affiliates may not accept funds in connection with standing letters of instruction, nor may funds be delivered to locations where TILLMAN HARTLEY LLC or its affiliates conduct business. .

Michael Tillman or Kevin Schwall Serving as Co-trustee

TILLMAN HARTLEY LLC does not act as a custodian of client assets with the exception of accounts held by trusts where Michael Tillman or Kevin Schwall serve as co-trustee. This is an exception to the firm's custody policy and each year Wolf & Company audits the accounts of trusts where Michael Tillman or Kevin Schwall is a co-trustee. Michael Tillman and Kevin Schwall have no signatory authority over any client or trust account where they are not serving as co-trustee.

Item 16. Investment Discretion

Discretionary Authority for Trading

TILLMAN HARTLEY LLC accepts discretionary authority to manage securities accounts on behalf of clients. TILLMAN HARTLEY LLC has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, TILLMAN HARTLEY LLC may consult with the client prior to trades. If a client selects non-discretionary investment management, TILLMAN HARTLEY LLC will not purchase or sell a security in their account without first obtaining the client's authority to do so.

TILLMAN HARTLEY LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on trades.

Discretionary trading authority facilitates placing trades in client accounts on their behalf so that TILLMAN HARTLEY LLC may promptly implement the investment policy the client has approved in writing.

Quarterly, TILLMAN HARTLEY LLC reviews client accounts and investment holdings. TILLMAN HARTLEY LLC may deem necessary, in accordance with a client Investment Policy Statement, to sell all or part of a client's assets and re-invest in other assets.

TILLMAN HARTLEY LLC does not have discretion on Assets under Advisement. Assets under Advisement are illiquid assets, such as limited partnership investments, real estate, and tangible property.

Limited Power of Attorney

Clients will sign a limited power of attorney to give trading authorization to TILLMAN HARTLEY LLC to execute trades on their behalf.

Item 17. Voting Client Securities

Proxy Votes

As a matter of firm policy, TILLMAN HARTLEY LLC does not vote proxies on behalf of clients. Clients are responsible for voting their proxies, however, TILLMAN HARTLEY LLC may provide clients with consulting assistance regarding proxy issues.

When assistance on voting proxies is requested, TILLMAN HARTLEY LLC will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

Item 18. Financial Information

Financial Condition

TILLMAN HARTLEY LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

TILLMAN HARTLEY LLC does not require prepayment of fees more than six months in advance.