

# Brandon Financial Planning, Inc.

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ADV Part 2A, Firm Brochure  
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**This Brochure provides information about the qualifications and business practices of Brandon Financial Planning, Inc. If you have any questions about the contents of this Brochure, please contact us at (901) 324-6600 or [raybrandon@brandonplanning.com](mailto:raybrandon@brandonplanning.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 Brandon Financial Planning, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to Brandon Financial Planning, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

There have been no material changes made to Brandon Financial Planning Inc.’s (hereinafter referred to as “Brandon Financial” or “Registrant”) Brochure since its last Annual Amendment filing made on January 28, 2019. Notwithstanding, enhancements to certain disclosure language have been made throughout.

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#### **Item 4            Advisory Business**

- A. Brandon Financial Planning, Inc. is a corporation formed on July 16, 1982, in the State of Tennessee. Brandon Financial has been registered as an Investment Adviser Firm since October 1982. Brandon Financial is principally owned by E. Denby Brandon, III, Vice President and Ray Brandon, President and Chief Compliance Officer.
- B. As discussed below, Brandon Financial offers to its clients (individuals, high net worth individuals, pension and profit sharing plans, and other business entities, etc.) combined comprehensive financial planning and investment advisory services.

#### **INVESTMENT ADVISORY SERVICES**

##### **Combined Comprehensive Financial Planning and Investment Advisory Services**

The client can determine to engage Brandon Financial to provide combined comprehensive financial planning and discretionary and/or non-discretionary investment advisory services. Brandon Financial's financial planning process is as follows:

- 1. A Memorandum of Agreement between Brandon Financial and the client is prepared. Detailed fact-finding is done with respect to the client's present situation including assets, liabilities, income, expenses, potential income and estate taxes, plans for distribution of assets, existing trust agreements, wills, investments, insurance, personal and family obligations, fringe benefit programs, etc.
- 2. An analysis is made of the client's present position in the light of their needs, desires, and objectives.
- 3. A written "Personal Financial Analysis" (i.e., a financial plan) is created which includes a profile of the client, statement of net worth, distribution and balance of assets, description of current investments and insurance programs, recommendations for meeting short and long term living goals, descriptions of existing estate conditions, recommendations for meeting estate planning goals, summary of estate liquidity needs, etc., with appropriate exhibits.
- 4. After discussion of the written "Personal Financial Analysis" and upon agreement regarding the various recommendations, a proposed priority list of steps for application of the recommendations is agreed upon with the client.
- 5. Ongoing consultation is provided to the client regarding applications of the recommendations agreed upon.
- 6. After an initial consultation period, the clients are encouraged to continue to retain Brandon Financial to furnish on-going consultation regarding their financial planning (See "Review and On-Going Consultation" below).

## **Review and Ongoing Consultation**

Brandon Financial encourages its client to continue to retain it to furnish ongoing consultation. If the client agrees to do so, Brandon Financial will review its client's financial plan on a regular basis.

## **Financial Planning for Business Entities**

In addition to the above-described personal financial planning process, Brandon Financial also performs specialized financial planning services for business entities.

In most situations, the financial well-being of the key officers and employees of an entity has a significant effect upon the entity itself. Most successful executives and/or business owners spend their waking hours planning for, and working in, their business, often to the detriment of their personal financial planning. Business entities may retain Brandon Financial to provide financial planning consultation to its employees in addition to, or in conjunction with, providing consultation to the entity itself. In addition, it is often not possible to perform financial planning services for officers or key employees without coordinating such planning with the entity.

Financial planning services provided for the entity itself might involve analysis and recommendations regarding some or all of the following: fringe benefits and/or compensation planning, investments, buy/sell or stock/membership interest redemption agreements and qualified and non-qualified retirement programs.

## **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by a client, Brandon Financial may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. **Please Note:** We **do not** serve as an attorney, accountant, or insurance agent and no portion of our services should be construed as providing legal, accounting or insurance services. Accordingly, we **do not** prepare estate planning documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance agents, etc.), including representatives of Brandon Financial in their separate individual capacities as registered representatives and/or licensed insurance agents of Brandon Investments, Inc., an affiliated FINRA member broker-dealer and licensed insurance agency ("Brandon Investments"). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by Brandon Financial and/or its representatives. **Please Note:** If the client engages any recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** Brandon Financial, shall be responsible for the quality and competency of the services provided.

**Conflict of Interest:** The recommendation by Brandon Financial's representatives that a client purchase a securities or insurance commission product through Brandon Investment

presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products through such a representative. Clients are reminded that they may purchase securities and insurance products recommended by Brandon Financial through other, non-affiliated broker-dealers and/or insurance agencies. **Brandon Financial's Chief Compliance Officer, Ray Brandon remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Non-Discretionary Service Limitations.** Clients that determine to engage Brandon Financial on a non-discretionary investment advisory basis **must be willing to accept** that Brandon Financial cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Brandon Financial would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Brandon Financial will be unable to effect any account transactions (as it would for its discretionary clients) **without first obtaining the client's consent.**

**Retirement Plan Rollovers-No Obligation/Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Brandon Financial recommends that a client roll over their retirement plan assets into an account to be managed by Brandon Financial, such a recommendation creates a conflict of interest if Brandon Financial will earn an advisory fee on the rolled over assets. **No client is under any obligation to roll over retirement plan assets to an account managed by Brandon Financial. Brandon Financial's Chief Compliance Officer, Ray Brandon, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

**Portfolio Activity.** Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objectives. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s). Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

**Use of Mutual Funds.** While Brandon Financial may recommend allocating investment assets to mutual funds that are not available directly to the public, Brandon Financial may also recommend that clients allocate investment assets to publically available mutual funds that the client could obtain without engaging Brandon Financial as an investment advisor. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging Brandon Financial as an investment

advisor, the client or prospective client would not receive the benefit of Brandon Financial's initial and ongoing investment advisory services with respect to management of the asset.

**Client Obligations.** In performing its services, Brandon Financial shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Brandon Financial if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Brandon Financial's previous recommendations and/or services.

**Disclosure Statement.** A copy of Brandon Financial's written Privacy Notice and Form ADV Brochure as set forth on Parts 2A and 2B shall be provided to each client prior to, or contemporaneously with, the execution of the Memorandum of Agreement, Renewal Memorandum of Agreement or Modification and Extension of Renewal Memorandum of Agreement.

- C. Brandon Financial shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). Brandon Financial shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on Brandon Financial's services.
- D. Brandon Financial does not participate in a wrap fee program.
- E. As of December 31, 2019, Brandon Financial had \$20,129,687 in assets under management on a discretionary basis and \$259,725,025 in assets under management on a non-discretionary basis.

## Item 5 Fees and Compensation

A.

### INVESTMENT ADVISORY SERVICES

If a client determines to engage Brandon Financial to provide combined comprehensive Financial Planning and discretionary and/or non-discretionary Investment Advisory Services, Brandon Financial's negotiable annual fee shall be either \$340 per hour, or determined as follows:

#### Individual Clients

The Higher of Gross Income (1) or Net Worth (2)		Initial Fee For Written Plan (3)
\$0 - \$75,000	\$0- \$250,000	\$3,000.00
\$75,001 – \$100,000	\$250,001-\$400,000	\$4,000.00
\$100,001 – \$125,000	\$400,001 -\$600,000	\$5,000.00
\$125,001 – \$150,000	\$600,001 –\$1,000,000	\$6,000.00
\$150,001 – \$200,000	\$1,000,001 – \$1,500,000	\$7,000.00
\$200,001 – \$250,000	\$1,500,001 – \$2,100,000	\$9,000.00
Over \$250,001	\$Over 2,100,000	Individually Reviewed

- (1) Gross Income means that total projected income for the current taxable year, provided however, gross income for any year subsequent to the first year of the Memorandum of Agreement shall not include income from capital gains upon or capital appreciation of all or any portion of funds of the client.
- (2) Net Worth is defined as gross assets at market (or equivalent) value less liabilities.
- (3) One-half (1/2) of the initial fee is paid as a retainer. The remaining amount is not due and payable until the fact-finding, analysis and preparation of the written financial plan is completed. The time period for these steps is approximately two (2) to three (3) months. Once the remaining one-half of the initial fee is paid, Brandon Financial provides consultation in establishing priorities regarding and completing the application of the most crucial recommendations. The time frame for this initial consultation period is normally four (4) to six (6) months. The initial fee covers all analysis work and consultation for the twelve (12) month period beginning with the initial contract date.

**Please Note:** Once the initial year described under (3) above is completed, if the client continues to retain Brandon Financial for combined comprehensive Financial Planning and discretionary and/or non-discretionary Investment Advisory Services, his(her) fee for doing so is normally 70% of the initial fee for the first twelve (12) months of such consultation. Thereafter, fees for subsequent years are normally based upon the then current fee schedule of Brandon Financial.

**Please Note:** Brandon Financial's annual fee shall not exceed 2% of the assets placed under its management.

**Please Note:** Brandon Financial may, in its sole discretion, offer financial planning and consulting services at its standard hourly rate of \$340.

While Brandon Financial's methodology for determining each client's annual fee is generally set forth above, it is important to note that Brandon Financial may negotiate and/or offer reduced annual investment advisory fees based upon various objective and subjective factors. These factors may include the level and scope of financial planning and consulting services to be rendered, the complexity of the engagement. Therefore, similarly situated clients may be paying diverse fees. **Please Note:** Similar advisory services may be available from other investment advisers for similar or lower fees.

### **Business Entity Clients**

Fees for combined comprehensive Financial Planning and discretionary and/or non-discretionary Investment Advisory Services for business entities are negotiated, on a case-by-case basis, by and between Brandon Financial and the client.

- B. Brandon Financial bills the client directly for its services; payment is due upon receipt of Brandon Financial's invoice. One-half (1/2) of the initial fee is paid as a retainer. The remaining amount is not due and payable until the fact-finding, analysis and preparation of the written financial plan is completed.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Brandon Financial shall generally recommend that TD Ameritrade ("Ameritrade") serve as the broker-dealer/custodian for client investment advisory assets. Broker-dealers such as Ameritrade charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Brandon Financial's investment advisory fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). The fees charged by the applicable broker-dealer/custodian, and the charges imposed at the fund level, are in addition to Adviser's investment advisory fees referenced in this Item 5.
- D. Brandon Financial bills the client directly for its services; payment is due upon receipt of Brandon Financial's invoice. One-half (1/2) of the initial fee is paid as a retainer. The remaining amount is not due and payable until the fact-finding, analysis and preparation of the written financial plan is completed.

The Memorandum of Agreement between Brandon Financial and the client will continue for a period of twelve (12) months, unless it is sooner terminated by either party by written notice in accordance with its terms. The client may renew the Memorandum of Agreement in subsequent years (after the initial year) by the execution of the Renewal Memorandum of Agreement or Modification and Extension of Renewal Memorandum of Agreement, as the case may be. Upon termination, Brandon Financial shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the engagement year.



E. Securities Commission Transactions. In the event that the client desires, the client can engage Brandon Financial's representatives, in their individual capacities, as registered representatives of Brandon Financial's affiliate, Brandon Investments, a FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through Brandon Investments, Brandon Investments will charge brokerage commissions to effect securities transactions, a portion of which commissions Brandon Investments shall pay to Brandon Financial's representatives, as applicable. The brokerage commissions charged by Brandon Investments may be higher or lower than those charged by other broker-dealers. In addition, Brandon Investments, as well as Brandon Financial's representatives, relative to previously executed mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment. **Please Note:** For new purchases, Brandon Financial's representatives shall not collect 12b-1 trailing commissions from the same investment product(s) for which Brandon Financial is also collecting advisory fees.

1. **Conflict of Interest:** The recommendation that a client purchase a commission product from Brandon Investments presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Brandon Financial's representatives in their separate capacities as registered representatives of Brandon Investments. **Brandon Financial's Chief Compliance Officer, Ray Brandon, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
2. **Please Note:** Clients may purchase investment products recommended by Brandon Financial through other, non-affiliated broker dealers or agents.
3. Brandon Financial does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products Brandon Financial recommends to its clients.
4. When Brandon Financial's representatives sell an investment product on a commission basis, Brandon Financial does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, Brandon Financial's representatives do not also receive commission compensation for such advisory services. However, a client may engage Brandon Financial to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Brandon Financial's representatives on a separate commission basis. Further, Brandon Financial's representatives, in their individual capacities as registered representatives of Brandon Investments may also continue receive a portion of the 12b-1 mutual fund distribution fees from mutual funds purchased until approximately 2010. These 12b-1 fees are in addition to Brandon Financial's annual advisory fee, thereby creating a **conflict of interest**. **Clients are therefore reminded that they may restrict or instruct Brandon Financial to purchase or sell mutual funds on their behalf, which generate 12b-1 fees for its representatives. Brandon Financial's Chief Compliance Officer, Ray Brandon, remains available to address any questions that a client or**

prospective client may have regarding 12b-1 compensation and the corresponding conflict of interest.

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

Neither Brandon Financial, nor any supervised person of Brandon Financial, accepts performance-based fees.

## **Item 7            Types of Clients**

Brandon Financial's clients generally include individuals, high net worth individuals, pension and profit sharing plans. Brandon Financial generally requires a \$3,000 annual minimum fee for investment advisory services. As discussed above, Brandon Financial, may, in its sole discretion, negotiate and/or offer reduced annual investment advisory fees or reduce its annual minimum fee based upon various objective and subjective factors.

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

- A. Brandon Financial may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
  - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

Brandon Financial may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Brandon Financial) will be profitable or equal any specific performance level(s).

- B. Brandon Financial's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Brandon Financial must have access to current/new market information. Brandon Financial has no control over the dissemination rate of market information; therefore, unbeknownst to Brandon Financial, certain analyses may be compiled with outdated market information, severely limiting the value of Brandon Financial's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of

market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Brandon Financial's primary investment strategy is Long Term Purchases, a fundamental investment strategy. However, every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow the strategy to potentially develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, Brandon Financial primarily allocates (or recommends that that client allocate) client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds, on a discretionary and non-discretionary basis in accordance with the client's designated investment objective(s).

Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss.

**Mutual Fund Risk.** Mutual funds are operated by investment companies that raise money from shareholders and invests it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

## **Item 9           Disciplinary Information**

Brandon Financial has not been the subject of any disciplinary actions.

## **Item 10          Other Financial Industry Activities and Affiliations**

- A. **Registered Representative of Brandon Investments.** As disclosed above in Item 5.E, Brandon Financial's representatives are also registered representatives of Brandon Investments, an affiliated FINRA member broker-dealer.

- B. Neither Brandon Financial, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Broker Dealer.** As disclosed above in Item 5.E, certain of Brandon Financial's representatives are registered representatives of Brandon Financial's affiliate, Brandon Investments, a FINRA member broker-dealer. Clients can choose to engage Brandon Financial's representatives, in their individual capacities, to effect securities brokerage transactions on a commission basis.

**Licensed Insurance Agency/Agents.** Brandon Investments is also a licensed insurance agency. In addition, certain of Brandon Financial's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage certain of Brandon Financial's representatives to purchase insurance products on a commission basis through Brandon Financial's affiliate, Brandon Investments.

**Conflict of Interest:** The recommendation by Brandon Financial's representatives that a client purchase a securities or insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Brandon Financial's representatives. Clients are reminded that they may purchase securities or insurance products recommended by Brandon Financial through other, non-affiliated broker-dealers or insurance agents. **Brandon Financial's Chief Compliance Officer, Ray Brandon, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

- D. Brandon Financial does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Brandon Financial maintains an investment policy relative to personal securities transactions. This investment policy is part of Brandon Financial's overall Code of Ethics, which serves to establish a standard of business conduct for all of Brandon Financial's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Brandon Financial also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Brandon Financial or any person associated with Brandon Financial.

- B. Neither Brandon Financial nor any related person of Brandon Financial recommends, buys, or sells for client accounts, securities in which Brandon Financial or any related person of Brandon Financial has a material financial interest.
- C. Brandon Financial and/or representatives of Brandon Financial may buy or sell securities

that are also recommended to clients. This practice may create a situation where Brandon Financial and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Brandon Financial did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Brandon Financial’s clients) and other potentially abusive practices.

Brandon Financial has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Brandon Financial’s “Access Persons”. Brandon Financial’s securities transaction policy requires that an Access Person of Brandon Financial must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Brandon Financial selects; provided, however that at any time that Brandon Financial has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Brandon Financial and/or representatives of Brandon Financial may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Brandon Financial and/or representatives of Brandon Financial are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, Brandon Financial has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Brandon Financial’s Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event that the client requests that Brandon Financial recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Brandon Financial to use a specific broker-dealer/custodian), Brandon Financial generally recommends that investment advisory accounts be maintained at Ameritrade. Prior to engaging Brandon Financial to provide investment advisory services, the client will be required to enter into a formal Memorandum of Agreement with Brandon Financial setting forth the terms and conditions under which Brandon Financial shall manage the client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Brandon Financial considers in recommending Ameritrade (or any other broker-dealer/custodian to clients) include historical relationship with Brandon Financial, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Brandon Financial’s clients shall comply with Brandon Financial’s duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Brandon Financial determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative

factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Brandon Financial will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Brandon Financial's investment advisory fee. Brandon Financial's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Brandon Financial receives from Ameritrade (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Brandon Financial to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Brandon Financial may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Brandon Financial in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist Brandon Financial in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Brandon Financial to manage and further develop its business enterprise.

There is no corresponding commitment made by Brandon Financial to Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Brandon Financial's Chief Compliance Officer, Ray Brandon, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.**

2. Brandon Financial does not receive referrals from broker-dealers.
3. Brandon Financial does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Brandon Financial will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Brandon Financial. As a result, client may pay higher commissions or

other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Brandon Financial to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Brandon Financial. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Brandon Financial's Chief Compliance Officer, Ray Brandon, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that Brandon Financial provides investment advisory services to its clients, the transactions for each client account generally will be effected independently, unless Brandon Financial decides to purchase or sell the same securities for several clients at approximately the same time. Brandon Financial may (but is not obligated to) combine or "bunch" such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among Brandon Financial's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Brandon Financial shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13      Review of Accounts**

- A. For those clients to whom Brandon Financial provides investment supervisory services, account reviews are conducted on an ongoing basis by Brandon Financial's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Brandon Financial of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Brandon Financial on an annual basis.
- B. Brandon Financial may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Brandon Financial may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, Brandon Financial receives economic benefits from Ameritrade including support services and/or products without cost or at a discount. Brandon Financial's clients do not pay more for investment transactions effected and/or assets maintained at Ameritrade as a result of this arrangement. There is no corresponding commitment made by Brandon Financial to Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Brandon Financial's Chief Compliance Officer, Ray Brandon, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.**

- B. Brandon Financial does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

## **Item 15            Custody**

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Brandon Financial may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that Brandon Financial provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Brandon Financial with the account statements received from the account custodian.

**Please Also Note:** The account custodian does not verify the accuracy of Brandon Financial's advisory fee calculation.

Brandon Financial engages in other practices and/or services on behalf of certain clients that require disclosure at ADV Part 1, Item 9, which practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940.

**Brandon Financial's Chief Compliance Officer, Ray Brandon, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## **Item 16            Investment Discretion**

The client can determine to engage Brandon Financial to provide investment advisory services on a discretionary basis. Prior to Brandon Financial assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming Brandon Financial as the client's attorney and agent in fact, granting Brandon Financial full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.



Clients who engage Brandon Financial on a discretionary basis may, at any time, impose restrictions, **in writing**, on Brandon Financial's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Brandon Financial's use of margin, etc.).

#### **Item 17          Voting Client Securities**

- A. Brandon Financial does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

#### **Item 18          Financial Information**

- A. Brandon Financial does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Brandon Financial is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Brandon Financial has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Brandon Financial's Chief Compliance Officer, Ray Brandon, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**