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**Form ADV Part 2A**

Firm Brochure

(Retirement Plan Consulting Services)

March 25, 2020

This brochure provides clients and prospective clients with information about OBS Financial Services, Inc. and the qualifications, business practices, and nature of its services that should be carefully considered before becoming an advisory client.

The contents of this brochure have not been approved or verified by the United States Securities and Exchange Commission (SEC) or any other state or federal governmental authority. While the firm and its associates are registered with the SEC, it does not imply a certain level of skill or training on the part of the firm or its associated personnel.

Questions relative to the firm, its services, or this Form ADV Part 2A may be made to the attention of Ms. Claire Blue, Chief Compliance Officer, at (818)528-3708. Additional information about the firm, other advisory firms, or associated investment advisor representatives is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The investment advisory services offered and any investment vehicles employed are (i) not deposits or other obligations of, nor are they guaranteed by, a financial institution or its affiliate; (ii) are not insured by the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), National Credit Union Share Insurance Fund (NCUSIF), or any other agency of the United States Government; and (iii) are subject to investment risks, including the possible loss of value. Further description with respect to investment strategies and their potential risks may be found in Item 8 of this brochure.

## **Item 2 - Material Changes**

OBS Financial Services, Inc., previously amended its ADV Part 2A firm brochure on March 27, 2019, the following material change has occurred since that filing:

1. Item 4 – Added a disclosure provision regarding OBS Financials’ acquisition by AssetMark Financial, Inc., which is a wholly-owned indirect subsidiary of Huatai Securities Co., Ltd.
2. Item 4 – OBS Financial Updated reportable assets under management values, providing 12/31/19 numbers.
3. Item 10 – Added a disclosure provision regarding OBS Financials’ acquisition by AssetMark Financial, Inc., which is a wholly-owned indirect subsidiary of Huatai Securities Co., Ltd.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Investors are also able to download this brochure from the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or you may contact our firm at (419) 482-4500.

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### **Important Information**

Throughout this document OBS Financial Services, Inc. shall also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The terms “account holder,” “prospective investor,” “client,” “you,” “your,” etc., refers to an engagement involving a single *person* as well as two or more *persons*. The term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.).

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

OBS Financial Services, Inc. is a Delaware-incorporated entity domiciled in the State of Ohio and has been operating as a registered investment advisor since 2006. We operate under the trade name OBS Financial. Our firm is registered as an investment advisor with the SEC and notice-filed in all US states and the District of Columbia. In addition, our associates may register or meet certain exemptions in jurisdictions in which we conduct investment advisory business.

Ownership of OBS Financial is through OBS Holdings, Inc., which is subsequently owned by WBI OBS Holdings, LLC of Perrysburg, OH. On March 1, 2020, AssetMark Financial, Inc. ("AssetMark") completed the previously announced acquisition of all of the outstanding interest of WBI Holdings, LLC. AssetMark is a wholly-owned indirect subsidiary of Huatai Securities Co, Ltd ("HTSC"). HTSC is a financial services and securities brokerage firm, incorporated in China and listed on the Shanghai and Hong Kong stock exchanges.

As of December 31, 2019, OBS Financial managed \$1.926 billion.<sup>1</sup> This total represents non-discretionary assets of \$1.065 billion and discretionary assets of \$861 million (defined in Item 16). As part of its business, OBS Financial also provides model portfolio services, acts as a strategist, effects trade execution and provides other investment management services for clients whose assets total \$349 million. If these additional assets are added to the totals above, as of December 31, 2019, OBS Financial was responsible for \$2.275 billion in total assets.

OBS Financial provides model portfolio services to a variety of clients. We provide services to financial institutions (trust services departments), to investment advisor firms and their clients, as well as acting as a qualified retirement plan fiduciary pursuant to § 3(38) of the Employee Retirement Income Security Act of 1974 (ERISA). Our advisory firm also offers investment management services through wrap fee programs, as well as unbundled services, and further information involving those programs are described in separate brochures that are available upon request. OBS Financial does not provide traditional financial planning. This brochure is designed for institutional clients in need of consultation involving their qualified retirement plans.

OBS Financial provides consulting services that are intended to assist plan sponsors in understanding the scope of their fiduciary duties and responsibilities, develop prudent practices and procedures to enable them to effectively discharge those duties and responsibilities, and document their actions and decisions. We are available to assist administrative and/or investment fiduciaries in the development of prudent practices and supporting documentation designed to enhance the fiduciary role. With respect to advisory services provided to a plan sponsor, we are available to conduct:

- Due diligence on existing, potential, and selected investment managers and/or service providers
- Retirement plan asset-class menu recommendations
- Investment Policy Statement review or its development and implementation
- Trustee education
- Plan design recommendations
- Investment monitoring reports
- Substitution recommendations

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<sup>1</sup> Term "assets under management" and rounding to nearest \$100,000 per the SEC's *General Instructions for Part 2 of Form ADV*.

- Watch list recommendations

Upon request, we will review an existing or prepare a new investment policy statement (IPS) or similar plan document. The purpose of the IPS is to assist plan investment committees in effectively supervising, monitoring and evaluating their company's retirement plan.

We are also available to provide process assessments on the practices currently in place to manage fiduciary duties and responsibilities, as well as offer recommendation to improve current plan practices. We can assist in benchmarking service providers by evaluating existing providers and their expenses incurred for their services, and we can prepare a vendor request for information and complete an analysis of the vendor responses. We provide our services either as a fiduciary as defined in §3(21) of the Employee Retirement Income Security Act of 1974 (ERISA) or as an ERISA §3(38). Our level of account authority is defined in further detail in Item 16 of this brochure.

OBS Financial will use its best judgment and good faith effort in rendering its services to its clients. Our firm cannot warrant or guarantee any particular level of account performance or that accounts will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, the firm will not be liable to an account holder, heirs, or assigns for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by the firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from the firm's adherence to the account holder or their legal agent's direction; or any act or failure to act by a service provider maintaining an account. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document shall constitute a waiver of any rights that an account holder may have under federal and state securities laws.

#### **Item 5 - Fees and Compensation**

Requested services to be provided, terms of service, etc., will be stated in the engagement agreement. At the discretion of our firm, fees may be reduced or waived. Fees are to be paid by check or draft from US-based financial institutions or via the plan's third-party administrator. Our firm does not accept cash, money orders or similar forms of payment for its engagements.

We are compensated via an hourly fee at the rate of \$200 per hour; billed in 15-minute increments and a partial increment will be treated as a whole increment. Prior to entering into an agreement with our firm, the plan sponsor will receive an estimate of the overall cost based on specific plan requirements and the time involved. We do not require a deposit to initiate the engagement; the fee is due in full upon delivery of our invoice which coincides with the presentation of your plan/advice. An hourly engagement lasting more than one month may be billed at the end of each month for time incurred during that period.

Any transactional or service fees (sometimes termed *brokerage fees*) assessed by the plan's service provider (i.e., a custodian), individual retirement account fees, qualified retirement plan or account termination fees will be borne by the account holder. Fees paid by our clients to our firm for our advisory services are separate from any of these fees or other similar charges.

Advisory fees are separate from any internal fees or charges an account holder may pay involving mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other similar investments.

Our firm does not charge or receive a commission or a mark-up on securities transactions, nor will the firm or an associate be paid a commission on the purchase of a securities holding. We do not receive “trailer” or SEC Rule 12b-1 fees from an investment company.

The plan sponsor retains the right to purchase recommended or similar investments through their own service provider. Additional information about our fees in relationship to our business practices is noted in Items 12 and 14 of this document.

Either party may terminate the agreement at any time in writing. We do not accept verbal notifications involving retirement plan services. If our Form ADV Part 2A firm brochure was not delivered to the plan sponsor at least 48 hours prior to entering into the engagement contract, then the plan sponsor has the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. Should a plan sponsor terminate an engagement after this period, they may be assessed fees for any time or charges incurred by our firm in the preparation of their plan.

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

OBS Financial fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as “performance-based fees.” Side-by-side management refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not; this type of arrangement, and the conflict of interest it may pose, is also not applicable to our firm’s practices.

#### **Item 7 - Types of Clients**

OBS Financial offers this investment management program to financial institutions for their end-clients who are individuals, high net worth individuals, trusts, estates, and charitable organizations, as well as businesses and pension and profit-sharing plans. In all instances, OBS Financial reserves the right to waive or reduce certain fees based on unique circumstances, special arrangements, or pre-existing relationships. We also reserve the right to decline services to any prospective investor for any non-discriminatory reason.

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

##### ***Method of Analysis***

Asset allocation and investment decisions are made by the firm in order to meet the plan’s objectives while minimizing risk exposure. To assist the financial institution to achieve this, OBS Financial will employ what our firm believes to be an appropriate blend of *fundamental* and *technical* analyses to develop long-term investment strategies. Fundamental analysis involves evaluating economic factors including interest rates, current state of the economy, and future growth of an issuer or sector, among others. Technical analysis may involve studying securities, markets, or economies as a whole in an effort to determine potential future behaviors.

Our research and recommendations may be drawn from sources that include financial publications, investment analysis and reporting software, research materials from outside sources, corporate rating services, annual reports, prospectuses and other regulatory filings, as well as company press releases.

### ***Investment Strategies***

The underlying mutual fund managers OBS Financial selects to support its model portfolios must generally ascribe to the principles of the Modern Portfolio Theory and a mathematical technique known as “mean variance optimization.” This theory is based on the belief that proper diversification and risk management will provide the account holder with a more stable and consistent return over time. Furthermore, it has been statistically proven that a properly diversified portfolio, consisting of an appropriate weighting in different asset classes, will generally outperform most asset classes over time. The practice of Modern Portfolio Theory does not employ market timing or stock selection methods of investing but rather a long term buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels. Cost-efficient, low-cost mutual funds are frequently recommended for various asset classes.

### ***Risk of Loss***

While our firm believes its strategies and investment selection is designed to potentially produce the highest possible return for a given level of risk, it cannot warrant or guarantee that an investment objective will be achieved. Investing in securities involves risk of loss that account holders should be prepared to bear. Some investment decisions made may result in loss, which may include the original principal invested. We have offered examples of such risk in the following paragraphs, and we believe it is important that each account holder review and consider each of them risk prior to investing.

*Company Risk* – When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

*Financial Risk* – Excessive borrowing to finance a business operation increases profitability risk 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 and/or a declining market value.

*Firm Research* – When research and analyses is based upon commercially available software, rating services, general market and financial information, or due diligence reviews, the firm is relying upon the accuracy and validity of the information or capabilities being provided by selected vendors, rating services, market data, and the issuers themselves. The firm makes every effort to determine the accuracy of the information received but it cannot foretell events or actions taken or not taken, or the validity of all information it has researched or provided which may or may not affect the advice to or investment management of an account.

*Fundamental Analysis* – The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security’s value. If a security’s price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

**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.

**Management Risk** – An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

**Market Risk** – When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called *systemic* or *systematic* risk.

**Mutual Fund Risk** – The risk of owning a mutual fund generally reflects the risks of owning their underlying securities (e.g., stocks, bonds, etc.). When an investor purchases a mutual fund, that investment may bear additional expenses based on its prorated share of the mutual fund operating expense and certain brokerage fees, which may include the potential duplication of certain fees.

**Fixed Income Risks** - Various forms of fixed income instruments, such as bonds, money market or bond funds may be affected by various forms of risk, including:

- **Credit Risk** - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.
- **Duration Risk** - Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.
- **Interest Rate Risk** - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.
- **Liquidity Risk** - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.
- **Reinvestment Risk** - With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

**Passive Markets Theory** – A portfolio that employs a passive, efficient markets approach (representative of Modern Portfolio Theory) has the potential risk that at times the broader allocation may generate lower-than-expected returns than those from a specific, more narrowly focused asset, and that the return on each type of asset is a deviation from the average return for the asset class. Our firm believes



this variance from the “expected return” is generally low under normal market conditions when a portfolio is made up of diverse, low or non-correlated assets.

**QDI Ratios** – While certain mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods as well as commodities and currencies (that may be part of a mutual fund holding) may be considered “non-qualified” under certain tax code provisions, therefore, the holding’s QDI should be considered if tax-efficiency is an important aspect of the portfolio.

**Technical Analysis** – The risk of investing based on technical analyses is that it may not consistently predict a future price movement; the current price of a security may reflect all known information. Further, a particular change in the market price of a security may follow a random pattern and may not be as predictable as desired.

#### **Item 9 - Disciplinary Information**

OBS Financial Services has not been subject to a reportable legal or disciplinary event. OBS Financials’ former (as of 02/29/2020) CEO/President, John Henry, without admitting or denying findings, submitted a letter of Acceptance, Waiver and Consent (AWC) to the Financial Industry Regulatory Authority (FINRA), which was accepted by FINRA on June 20, 2016. The AWC acknowledged that Mr. Henry, while serving as the CEO of OBS Brokerage Services Inc., a former affiliate of OBS Financial, failed to make the certifications required by FINRA Rule 3130 in 2011 and 2012. Mr. Henry completed documents prepared by the former brokerage firm’s chief compliance officer reflecting its annual compliance meeting, and these documents had been determined by FINRA to not adequately address the testing and verification of the former brokerage firm’s supervisory system as required by FINRA Rule 3130. The certifications referred to having processes in place to establish, maintain and review the former brokerage firm’s compliance policies and written supervisory procedures, and to have a report of the testing and verification of the same. The AWC reflects Mr. Henry’s consent to a censure and a \$10,000 fine.

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

Our policies require that we conduct business activities in a manner that avoid actual or potential conflicts of interest between the firm, employees and our clients, or that may otherwise be contrary to law. We will provide disclosure prior to and throughout the term of an engagement of any conflicts of interest which will or may reasonably compromise our impartiality or independence.

Our firm is not registered nor has an application pending to register as a FINRA or National Futures Association (NFA) member firm, nor are we required to be registered with such entities. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- accounting firm or accountant
- insurance company or insurance agency
- lawyer or law firm
- real estate broker or dealer
- sponsor or syndicator of limited partnerships
- investment company or other publically traded pooled investment vehicle

Ownership of OBS Financial, Inc. is through OBS Holdings, Inc., which is subsequently owned by WBI OBS Holdings, LLC of Perrysburg, OH. As described in Item 4 of this brochure, on March 1, 2020, AssetMark completed the previously announced acquisition of all of the outstanding interest of WBI OBS Holdings, LLC. AssetMark is a wholly-owned indirect subsidiary of HTSC, a financial services and securities brokerage firm, incorporated in China and listed on the Shanghai and Hong Kong stock exchanges.

AssetMark is an indirect subsidiary of AssetMark Financial Holdings, Inc., a publicly traded company (NYSE: AMK). The following companies are under common control with AssetMark. AssetMark does not consider such affiliations to create a material conflict of interest for AssetMark or its clients. For those affiliated companies you may interact with in connection with your AssetMark relationship, their industry activities are described in further detail below:

- AssetMark Brokerage, LLC
- AssetMark Retirement Services, Inc.
- AssetMark Trust Company
- Global Financial Private Capital, Inc.
- Global Financial Advisory, LLC

#### AssetMark Brokerage, LLC

AssetMark Brokerage, LLC (“AssetMark Brokerage”) is a broker-dealer registered with the SEC and is a member of FINRA. AssetMark Brokerage is affiliated with AssetMark by common ownership.

#### AssetMark Retirement Services, Inc.

AssetMark Retirement Services, Inc. is a Pennsylvania corporation and third-party administrator for AssetMark’s retirement offering.

#### AssetMark Trust Company

AssetMark Trust Company (“AssetMark Trust”) is an Arizona chartered trust company that serves as the custodian for certain Accounts on the AssetMark Platform. AssetMark Trust is affiliated with AssetMark by common ownership.

#### Global Financial Private Capital, Inc.

Global Financial Private Capital, Inc. (“GFPC”) is an investment adviser registered with the SEC and provides discretionary investment advisory services on a non-wrap fee basis to its clients, which consist of individuals, business entities, trusts, estates, charitable organizations and other entities. GFPC delivers its investment services through model portfolios. The models are provided from unaffiliated third-party managers, subject to oversight by GFPC personnel. The Firm engages various unaffiliated sub-advisers to manage the underlying portfolios in each model.

#### Global Financial Advisory, LLC

Global Financial Advisory, LLC is an insurance agency that provides marketing and sales support for non-variable insurance products. The types of products marketed include but are not limited to term life insurance, universal life insurance, whole life insurance, fixed annuities, and long-term care insurance.

As described in Item 4 of this brochure involving our range of advisory services, we will select fund managers (who are required to be registered investment advisors) whose strategies, services or investment vehicles meet our investment committee criteria.

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

OBS Financial believes that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate or at least minimize potential material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. It is important to note that no set of rules can anticipate or relieve all potential material conflicts of interest. Our firm will disclose to its clients any material conflict of interest relating to the firm, its representatives, or any of its associates which could reasonably be expected to impair the rendering of unbiased and objective advice (such as roles described in this section of the brochure or an associate's brochure supplement).

### ***Code of Ethics***

Our firm has adopted a Code of Ethics that sets forth the policies of ethical conduct for its personnel and accepts the obligation not only to comply with the mandates and requirements of applicable law and regulation but also to take responsibility to act in an ethical and professionally responsible manner in its professional services and activities. The firm periodically reviews and amends its Code of Ethics to ensure currency, and all firm access persons are required no less than annually to attest to their understanding and adherence. OBS Financial will provide a copy of its Code of Ethics to any client or prospective client upon request.

### ***Privacy Policy Statement***

When required, a copy of the firm's privacy policy notice will be provided to an account holder prior to, or contemporaneously with, the execution of an engagement agreement. The firm will notify its clients annually of its privacy policy and at any time, in advance, if its privacy policy is expected to change.

### ***Participation or Interest in Client Transactions***

Neither the firm nor an associate is authorized to recommend to a client, or effect a transaction for an account holder, involving any security in which the firm or a "related person" (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as an underwriter or advisor to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless they are an approved lending institution.

### ***Personal Trading***

OBS Financial does not trade for its own account (proprietary trading). The firm may make recommendations or take action with respect to investments for its investors that may differ in nature or timing from recommendations made to or actions taken for other account holders or related persons, and related persons may buy or sell securities similar to those recommended to account holders for their accounts. At no time will a related person receive preferential treatment over a firm account holder. In an effort to reduce or eliminate certain conflicts of interest involving personal trading, firm policy may require the utilization of published lists that restrict or prohibit transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm's Chief Compliance Officer in advance of the transaction in any related person's account.

## **Item 12 - Brokerage Practices**

OBS Financial does not maintain physical custody of plan assets. Accounts must be maintained by a qualified custodian that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian nor is there an affiliate that is a custodian, nor are we registered with or supervised by a custodian. We may receive periodic referrals from a custodian; however, such introductions referrals are not a factor in our selection of a custodian.

The plan sponsor may choose to keep assets with their present custodian/service provider. Should a new provider be preferred, a recommendation may be made by our firm that is based on plan needs, overall cost, and ease of use. We conduct periodic assessments of any recommended service provider which generally involves a review of the range and quality of services, reasonableness of fees, among other items, in comparison to industry peers.

We do not accept non-cash compensation (termed "soft dollars" in certain jurisdictions) from service providers involving plan accounts, and we will not "pay up" to receive additional services from a service provider. All compensation paid to our firm is paid directly by our clients and, therefore, the firm does not receive any additional compensation when its clients engage a recommended custodian or other service provider.

As noted in Item 4 of this brochure and separate of our ERISA plan engagements, we also serve as portfolio manager for various institutional clients. In order to offer such services, it is necessary that we engage a qualified custodian to assist us with custody of account assets, trade execution, clearance and settlement, etc. Our custodian is a FINRA member broker/dealer; independent of our advisory firm. We may receive other benefits and services from this custodian through participation in their advisor support program, and some of which may be made termed "soft dollars" per Section 28(e) of the Securities Exchange Act of 1934. While this operational relationship and conflict of interest does not apply to our services offered under this engagement, we are obligated to inform our clients of all our potential and actual material conflicts of interest. For further information involving this matter, please refer to our wrap fee program and unbundled service fee brochures.

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

### ***Scheduled Reviews***

Periodic plan sponsor reviews are recommended, and we believe they should occur at least on an annual basis if practical. Reviews will be conducted by the plan's assigned investment advisor representative who is associated with our firm, and typically involves an analysis and possible revision of previous recommendations. A copy of revised plans or asset allocation reports will be provided. Unless provided for in the engagement agreement, reviews are generally conducted under a new or amended agreement.

### ***Non-Periodic Reviews***

Plan sponsors should contact our firm for additional reviews when there are material changes to the plan requirements or the businesses financial situation. The review is conducted with the plan's assigned investment advisor representative who is associated with our firm, and it typically involves an analysis and possible revision of previous plan recommendations. A copy of revised plans or asset allocation reports will be provided. Unless provided for in the engagement agreement, the interim review may be conducted under a new or amended agreement.

### ***Content of Client Provided Reports and Frequency***

Each plan participant will receive account statements sent directly from the custodian of record. We urge each participant to carefully review account statements for accuracy and clarity, and to ask questions when something is not clear.

We do not provide internally created performance reports via this form of advisory engagement. Plan sponsors and/or participants may receive portfolio performance reports from a third-party administrator or the custodian of record. Plan sponsors and/or participants are urged to carefully review and compare account statements that they have received directly from the custodian of record with any performance report they may receive from any other source.

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

#### ***Solicitor Engagements***

If a prospective client is introduced to OBS Financial by an unaffiliated solicitor, our firm may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities law requirements. Our firm will pay this referral fee to the solicitor as long as the account remains with our firm.

The costs or fees payable by the account holder for the services provided our firm may be increased as a result of the firm's payments to the solicitor by an amount equal to the amount of the payments by the firm to the solicitor. The solicitor will disclose the nature of their relationship to prospective investors at the time of solicitation and will provide prospective investors with both OBS Financial Form ADV Part 2A and/or wrap fee brochure in addition to the solicitor's disclosure statement that contains the terms and conditions of the solicitation arrangement, including compensation arrangements.

Solicitor shall be the primary contact for the client and to function as that client's financial advisor. The solicitor is responsible for:

- Preparing and documenting client annual reviews;
- Ensuring client paperwork is completed and turned into OBS Financial;
- Utilizing the Risk Profile Questionnaire and the Investment Policy Statement that is generated with all clients;
- Developing the relationship with the client;
- Communicating to OBS Financial any changes with the client such as financial changes, name and address changes, life changes (such as death), portfolio and fee billing changes;
- Ensuring compliance with Rule 3a-4(a)(2)(iii) to review annually with the client and document whether or not the client wishes to impose any reasonable account restrictions and notify OBS of any of these restrictions;
- Explaining what OBS Financial does and what OBS's role is in working with the Solicitor;
- Understanding the OBS Financial portfolios;
- Interacting with the client on various needs for tax forms, distribution requests, and deposits
- Continuing to know his/her client by keeping updated on the client's financial situation, employment status, tax status and time horizon for investments; and
- Implementing new processes or account requirements as requested by OBS Financial and/or by the custodian.

The solicitor falls under the supervision of their broker-dealer or registered investment advisor. OBS Financial does not have any compliance supervision over the solicitors. However, OBS is required to follow up with solicitors to ensure they are performing their duties as spelled out in the Solicitor Agreement. Solicitors are responsible for communicating any compliance issues with any financial representative who utilizes OBS Financial's services.

OBS Financial has entered into a revenue sharing agreement with the trust portfolio management software providers, in which our firm pays 0.03% (3 bps) per annum of reportable assets under management for those accounts referred to us by various trust systems.

OBS Financial has entered into a marketing and educational agreement with one of its clients where OBS Financial is to make payments in exchange for access to advisors to education them regarding OBS Financial. This agreement allows OBS Financial to speak at the client's conferences, post information about OBS Financial on the client's intranet, obtain advisor conference attendee lists, and work with the client's business development team.

### ***Financial Institution Referrals***

If an advisory associate is concurrently an employee of a financial institution or its subsidiary, that associate may receive or provide referral among those separate entities. Our advisory firm does not compensate for such introductions.

### ***Referrals to Other Professionals***

Upon request, we may provide referral to various professionals, such as an accountant or an attorney. While these referrals are based on the best information made available, the firm does not guarantee the quality or adequacy of the work provided by these referred professionals. There is not an agreement with these entities nor are referral fees received from these professionals for such informal referrals. Any fees charged by these other entities for their services are separate from fees charged by our firm.

### ***Industry Memberships***

A firm associate may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective investors) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective investors locating our firm or an associate via these methods are not actively marketed by the noted associations. They do not pay more for their services than other investors referred to us in another fashion, such as by an account holder. We do not pay these entities for referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

### **Item 15 - Custody**

Plan assets will be maintained at an unaffiliated, qualified custodian. Assets are not maintained by OBS Financial or any of its associates. In keeping with the firm's policy of not taking physical custody of an account's funds or securities, we:

- Restrict the firm and associates from acting as trustee for or having general power of attorney over an account holder's account.
- Are prohibited from having authority to withdraw securities or money from an account, other than the request for payment of advisory fees that is accomplished through a qualified custodian and pursuant to a written agreement (termed "constructive custody").
- Do not accept or forward clients' securities (i.e., stock certificates) erroneously delivered to our advisory firm.
- Will not collect fees of \$1,200 or more for advisory services to be performed six months or more in advance.
- Will not authorize an associate to have knowledge of an account holder's access information (i.e., online 401(k), brokerage or bank accounts), even for the convenience or accommodation of the account holder or their legal agent, if such access would result in having control over the account or its assets.

Account holders will receive statements sent directly from the custodian of record where their investments are maintained. We urge each account holder to carefully review these statements for accuracy and clarity, and to ask questions when something is not clear. Any person receiving portfolio performance reports from any source are urged to carefully review and compare account statements that they have received from their custodian.

OBS Financial is deemed to have custody due to assets in accounts for which Advisor has the authority to transfer funds via standing letter of automation (SLOA). These transfer authorizations meet the requirements of the SEC's February 21, 2017 No Action Letter on Custody.

### **Item 16 - Investment Discretion**

While OBS Financial may serve a plan via our consulting engagement on a discretionary basis per ERISA §3(38), determining the selection and termination of a mutual fund or ETF, we do not serve as the investment manager nor do we have trading authority within a plan/plan participant account.

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

If OBS Financial receives duplicate correspondence relating to the voting of securities, class action litigation, or other corporate actions, we do not forward such correspondence to the account holder address of record nor return it to its originator.

OBS Financial does not vote client proxies nor do we offer guidance on how to vote proxies. The owner of record maintains responsibility for directing the manner in which proxies solicited by issuers of securities beneficially owned by them shall be voted as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to the account holder's investment assets.

Our firm will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a account holder account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving account assets.

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

OBS Financial will not take physical custody of client assets, nor do we have the type of account authority to have such control. Fee withdrawals must be done through a qualified intermediary (e.g., custodian of record) per prior written agreement.

Our firm will not collect advisory fees from a client of \$1,200 or more for services to be performed six months or more into the future.

Neither the firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair the firm's ability to meet commitments to our clients, nor have they been the subject of a bankruptcy petition at any time during the past 10 years.

Due to the nature of our firm's services and operational practices, an audited balance sheet is not required nor included in this brochure.