



Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Regency Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 559-438-2640 or mdeck@regencyinvests.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 Regency Investment Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 106990.

Item 2 Material Changes

Since our last Brochure filing, we have made no material changes.

From time to time, we may amend this Brochure to reflect changes in our business practices, changes in regulations, and routine annual updates as required by the securities regulators. If a material change occurs in the business practices of Regency Investment Advisors, Inc., we will provide clients with a summary of material changes including an offer for the complete Brochure.

At any time, you may view the current Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. You may also request a copy of this Brochure at any time, by contacting us at 559-438-2640 or mdeck@regencyinvests.com.

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Item 4 Advisory Business

Regency Investment Advisors, Inc. is a SEC-registered investment adviser with its principal place of business located in California. Regency began conducting business in 1993.

Listed below is the firm's principal shareholder (i.e., those individuals and/or entities controlling 25% or more of this company).

- Philip Daniel Ray, Trustee of the Philip and Karen Ray Declaration of Trust dated 8/8/2012

The information contained in this brochure describes our investment advisory services, practices, and fees. Please refer to the below description of our services for information on how we tailor our investment advice to the needs of our clients. As used throughout this firm brochure, the words “we,” “our,” “firm,” “Regency” and “us” refer to Regency Investment Advisors, Inc., and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our firm.

Regency offers the following advisory services to our clients:

INVESTMENT SUPERVISORY/INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we create and manage a portfolio based on those goals and objectives. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions involving liquidity needs, investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over the counter
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Other - Exchange traded funds, stable value funds, mutual funds with exposure to futures or other derivatives in its strategies; this exposure to alternative assets or alternative strategies will generally be no more than 30% of a client's account (or up to the amount as set forth in the client's IPS or investment objective directive for an account)

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Regency may utilize a tactical approach to management when circumstances warrant and desired by the client.

Regency primarily invests in no-load mutual funds through Charles Schwab & Co, or other custodians as circumstances warrant. We may purchase other investments, including exchange traded funds, transaction fee funds and closed end funds when appropriate and approved by the Investment Committee.

As part of advising retirement plan sponsors and trustees, we make plan sponsors aware of their option to include stable value funds as a low risk money market alternative within their plans. Stable value funds are considered appropriate for qualified plan investors who desire a high degree of safety, stable principal value, and consistent returns on a component of their retirement savings. Stable value funds are only available to qualified retirement plans and are only offered as Collective Investment Trusts (CITs). When plan sponsors elect to include stable value funds in a plan, they may be offered as stand-alone investment options and/or as part of model portfolios included within the plan's investment menu.

“OTHER” PORTFOLIO MANAGEMENT

Regency provides non-continuous asset management of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on the client's particular circumstances are established we manage a portfolio based on those goals and objectives. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs.

We manage these advisory accounts on a non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income). An example of this type of service is a client with a balance in their company's retirement plan where they cannot move the account to us for management but can hire us to periodically monitor the investments within their plan and make recommendations for purchases, sales and rebalances.

Our investment recommendations in this instance are limited to the choices available in the account to be monitored.

FINANCIAL PLANNING

Regency will, on occasion, provide financial planning services and non-comprehensive financial plans encompassing one or more aspects of a client's overall financial situation.

In general, the financial plan may address any or all of the following areas:

- PERSONAL (budgeting, personal liability, estate information and financial goals)
- TAX & CASH FLOW (general tax concepts, no tax advice)
- INVESTMENT REVIEW
- COLLEGE PLANNING
- RETIREMENT
- CONSULT WITH CLIENTS ABOUT EMPLOYEE BENEFITS
- ESTATE PLANNING (general concepts, no legal advice)

We gather the information, as required, to provide consulting services requested of us by the client. We carefully review documents supplied by the client. As appropriate, we will introduce clients to unaffiliated, outside professionals (attorneys, accountants, third party administrators, insurance agents, realtors, etc.), or

coordinate with existing professionals, to help clients carry out their desired financial plan. Implementation of financial plan recommendations is entirely at the client's discretion.

Should you decide to use our money management services, there will be a separate agreement.

AMOUNT OF MANAGED ASSETS

As of December 31, 2019, Regency was actively managing \$519,183,993 of client assets on a discretionary basis plus \$3,045,299 of client assets on a non-discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY/INDIVIDUAL PORTFOLIO MANAGEMENT and “OTHER” PORTFOLIO MANAGEMENT SERVICES FEES

Regency's annual fees for Investment Supervisory Services and “other” non-continuous portfolio management services are based upon a percentage of assets under management and generally range from 0.60% to 1.20%. Regency's fee schedule is identified in the contract between the advisor and each client.

A minimum of **\$250,000** of assets under management is required for investment supervisory services. There is a minimum of **\$1,000,000** of assets under management for *retirement plans*. We reserve the right to waive this minimum and fees will be negotiated individually based on the work and services provided and disclosed in our contract. If a *retirement plan* requires more than our standard set of services, we may deviate from our normal fee schedule; the fee would be disclosed in our contract.

There is generally a \$50,000 minimum account balance for active management on College 529 Plans. However, Regency is willing to serve as Advisor on accounts with a smaller balance if the client has a minimum account balance of \$250,000 in investment supervisory assets. Regency doesn't generally provide active management for College 529 Plan accounts with balances less than \$15,000. In that case, the client can choose amongst Target Date Funds. Regency will not charge a management fee for accounts invested in Target Date Funds. For both actively managed 529 accounts and accounts invested in Target Date Funds, Regency will not report performance, but rather, the account performance will be stated on the custodian's quarterly statement. It is recommended that the client carefully review their quarterly statement from the custodian and notify Regency of any discrepancies.

A minimum of **\$250,000** of assets under management is required for “other” non-continuous portfolio management service.

These account minimums may be negotiable under certain circumstances. Ongoing account management fees are generally payable quarterly in advance, based on the market value of the assets on the last business day of the previous quarter. Account management fees may be directly deducted from your account(s) on a quarterly basis. It is Regency's practice to begin charging management fees the first full quarter of management; however, Regency reserves the right to begin charging management fees on the date it is engaged. For retirement plans with a third party recordkeeper, the recordkeeper may calculate and deduct Regency's fee or instruct Regency to deduct said fee. This fee may be calculated on a monthly or quarterly basis, in arrears, based on the value of the managed assets as of the close of business on the last business day of the preceding month/quarter and number of days in the period. Please refer to the specific services agreement for further details.

Limited Negotiability of Advisory Fees: Although Regency has established the fee schedule mentioned above, we retain the discretion to negotiate alternative fees on a client-by-client basis. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

FINANCIAL PLANNING FEES

Regency's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

The fee charged to the client is either hourly (generally \$150/hour) or fixed and may be negotiated. There are no commissions received by Regency or by individuals working for Regency. Fees may be waived if approved by management. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, if an hourly fee will be charged, we will provide an estimate for the total hours at the start of the advisory relationship.

Financial Planning Fee Offset: Regency reserves the discretion to reduce or waive the hourly fee and/or the fixed fee if a financial planning client chooses to engage us for our investment management services. The client is billed after the project is complete.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon notice to any of our staff. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period. If you don't automatically receive a refund upon termination, please call Marci Deck at 559-438-2640 immediately.

Mutual Fund Fees: All fees paid to Regency for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to Regency's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: Regency is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such,

our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. Regency Investment Advisors, Inc only charges the money management fees and does not receive any commissions or 12b-1 fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Item 6 Performance-Based Fees

Regency does not charge performance-based fees.

Item 7 Types of Clients

Regency provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Trusts
- Pension and profit-sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental and Technical Analysis. We may use fundamental and technical analysis to determine whether an asset class is over or under valued.

Fundamental analysis is subjective and carries the risk that our judgment may prove incorrect. In addition, our analysis cannot predict future events that may affect any given asset class. The risk of technical analysis is that it does not take into consideration underlying fundamentals or economic conditions that may affect the value of an asset class.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as the quality of management, investment philosophy, investment process, research / support team and additional factors not readily subject to measurement.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals. Regency Investment Advisors does rebalance portfolios to lessen this risk.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. Regency utilizes a proprietary rating system or methodology to review manager consistency. Regency uses return based style analysis to help determine manager skill.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to decline in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our methods of analysis rely on the assumption that the companies whose funds we purchase and sell, the rating agencies that review these funds, and other publicly available sources of information about these funds, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

In considering whether to include stable value funds, the plan sponsor should be aware that CITs are not open-end mutual funds, in fact there are significant differences between CITs and open end mutual funds, including the potential for CITs to not be liquid during periods of extreme market stress. Therefore, stable value fund offerings require additional disclosures. Plan sponsors who wish to utilize stable value funds within their plans will be provided with the fund's offering circular and a separate participation agreement describing these investments, to be signed by the trustee(s).

INVESTMENT STRATEGIES

Clients currently choose between 11 primary investment strategies; the strategies can be customized to meet the client's specific needs. These strategies are meant to take into consideration the client's investment objectives, risk tolerance, time horizons, taxes, liquidity and other pertinent information. Our strategies may invest in the following asset classes:

<u>Equities</u>	<u>Fixed Income</u>	<u>Real Assets</u>	<u>Alternatives</u>
U.S. Large Cap	Cash & Equivalents	Real Estate Securities	Managed Futures
U.S. Mid Cap	Stable Value	Commodities/Natural Resources	Absolute Return
U.S. Small Cap	Short-Term	Precious Metals	Alternative Strategies
Foreign Large Cap	Intermediate Term		
Foreign Small Cap	Inflation Protected Securities		
Emerging Markets	Long-Term		
	Floating Rate Notes		
	High Yield		
	Foreign & Emerging Market		

Regency's primary strategies are:

- **Aggressive Growth:** The aggressive growth strategy is an asset allocation strategy that seeks long-term growth. The strategy normally invests in a diversified mix of equity asset classes, real assets, and alternatives. The strategy may also invest in fixed income asset classes when appropriate. It is reasonable to expect that the risk of this strategy should be similar to that of global equity indexes.
- **Growth Plus:** The growth plus strategy is an asset allocation strategy that places a greater emphasis on long-term growth and less on income than the growth strategy. The strategy normally invests in a diversified mix of equity asset classes, fixed income asset classes, real assets and alternatives. It is reasonable to expect that the risk of this strategy should be similar to a mixture of 90% global equity indexes and 10% global fixed income indexes.
- **Growth:** The growth strategy is an asset allocation strategy that seeks long-term growth as a primary objective and income as a secondary objective. The strategy normally invests in a diversified mix of equity asset classes, fixed income asset classes, real assets, and alternatives. It is reasonable to expect that the risk of this strategy should be similar to a mixture of 80% global equity indexes and 20% global fixed income indexes.
- **Balanced Plus:** The balanced plus strategy is an asset allocation strategy that seeks to balance long-term growth and income, with a greater emphasis on long-term growth than the balanced strategy. The strategy normally invests in a diversified mix of equity asset classes, fixed income asset classes, real assets, and alternatives. It is reasonable to expect that the risk of this strategy should be similar to a mixture of 70% global equity indexes and 30% global fixed income indexes.
- **Balanced:** The balanced strategy is an asset allocation strategy that seeks to balance long-term growth and income, with a greater emphasis on long-term growth. The strategy normally invests in a diversified mix of equity asset classes, fixed income asset classes, real assets, and alternatives. It is reasonable to expect that the risk of this strategy should be similar to a mixture of 60% global equity indexes and 40% global fixed income indexes.
- **Moderate Plus:** The moderate plus strategy is an asset allocation strategy that seeks to balance income and long-term growth, with a greater emphasis on long-term growth than the moderate strategy. The strategy normally invests in a diversified mix of equity asset classes, fixed income asset classes, real assets, and alternatives. It is reasonable to expect that the risk of this strategy should be similar to a mixture of 50% global equity indexes and 50% global fixed income indexes.
- **Moderate:** The moderate strategy is an asset allocation strategy that seeks to balance income and long-term growth, with a greater emphasis on income. The strategy normally invests in a diversified mix of equity asset classes, fixed income asset classes, real assets, and alternatives. It is reasonable to expect that the risk of this strategy should be similar to a mixture of 40% global equity indexes and 60% global fixed income indexes.
- **Conservative Plus:** The conservative plus strategy is an asset allocation strategy that seeks income as a primary objective and long-term growth as a secondary objective, with a greater emphasis on long-term growth than the conservative strategy. The strategy normally invests in a diversified mix of fixed income asset classes, equity asset classes, real assets, and alternatives. It is reasonable to expect that the risk of this strategy should be similar to a mixture of 30% global equity indexes and 70% global fixed income indexes.
- **Conservative:** The conservative strategy is an asset allocation strategy that seeks income as a primary objective and long-term growth as a secondary objective. The strategy normally invests in a diversified mix of fixed income asset classes, equity asset classes, real assets, and alternatives. It

is reasonable to expect that the risk of this strategy should be similar to a mixture of 20% global equity indexes and 80% global fixed income indexes.

- **Capital Preservation:** The capital preservation strategy is an asset allocation strategy that seeks to maintain principal as a primary objective and income as a secondary objective. The strategy normally invests in a diversified mix of fixed income asset classes. The strategy may also invest in equity asset classes, real assets, and alternatives when appropriate. It is reasonable to expect that the risk of this strategy should be similar to that of domestic fixed income indexes.

Principal Investment Risks

Common Stock Risk. Common stocks are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions. The rights of common stockholders are subordinate to all other claims on a company's assets including, debt holders and preferred stockholders.

Small-Cap Stock Risk. Investing in securities of small companies generally involves greater risk than investing in larger, more established companies. Although investing in securities of small companies offers potentially greater returns relative to large cap stocks if the companies are successful, the risk exists that the companies will not succeed, and the prices of the companies' shares could significantly decline in value. The earnings and prospects of smaller companies are more volatile than larger companies and smaller companies may experience higher failure rates than do larger companies. The trading volume of securities of smaller companies is normally less than that of larger companies and, therefore, may disproportionately affect their market price, tending to make prices fall more in response to selling pressure than is the case with larger companies. Smaller companies may also have limited markets, product lines, or financial resources, and may lack management experience.

Fixed Income Securities Risk. Investing in fixed income securities (i.e. bonds) poses unique risks. Bond values may fluctuate based upon an issuer's inability to pay interest or repay the bond. Changes in market interest rates may cause the bond's value to rise or fall. Illiquidity in the bond market may make the bond difficult or impossible to sell. The bond issuer may repay the bond prior to maturity reducing the effective yield on the bond. Inflation rate changes may reduce the effective yield of the bond's interest payments.

Foreign Securities Risk. Exposure to foreign markets through issuers or currencies can involve additional risks relating to market, economic, industry, political, regulatory, geopolitical, and other conditions. These factors can make foreign investments, especially those in emerging markets, more volatile and less liquid than U.S. investments. In addition, foreign markets can react differently to these conditions than the U.S. market.

REIT Risks. REIT's are dependent upon management skills and generally may not be diversified. REIT's are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. In addition, REIT's could possibly fail to qualify for pass-through of income under applicable tax law. Various factors may adversely affect a borrower's or a lessee's ability to meet its obligations to the REIT. In the event of a default by a borrower or lessee, the REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments. Because REIT investments are concentrated in the real estate industry, they may be subject to greater volatility. REIT's may also be affected by tax and regulatory requirements. REIT performance will be closely linked to the performance of the real estate markets. Property values may fall due to increasing vacancies or declining rents resulting from unanticipated economic, legal, cultural, or technological developments. Real estate company prices also may drop because of the failure of borrowers to pay their loans and poor management, and residential developers, in particular, could be negatively impacted by falling home prices, slower mortgage origination and rising construction costs.

Alternative Assets and Alternative Strategies Risk. Investing in alternative assets/strategies may be subject to greater volatility than investments in traditional securities, particularly if the investments involve leverage. Alternative assets/strategies may involve the use of derivatives. Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Alternative assets/strategies may be subject to greater liquidity risk. Alternative strategies are subject to strategy and execution risk.

Regency may utilize mutual funds that have exposure to futures or other derivatives in its strategies; this exposure to alternative assets or alternative strategies will generally be no more than 30% of a client's account (or up to the amount as set forth in a client's IPS or investment objective directive for an account) and may reduce the stock and/or bond exposure. While alternative assets or alternative strategies can experience extreme positive and negative price fluctuations and risks unique to such asset class, we use them in an effort to diversify the risks of investing in stocks and bonds.

We typically utilize a long-term strategy of investing; we utilize a short-term purchase strategy primarily with fixed income securities when a client has a short term need to invest (typically a year or less). Regency may utilize a tactical approach to management when circumstances warrant and desired by the client.

Investments in securities, including any of our strategies, are not guaranteed and you may lose money. We ask that you work with us to help us understand your investment objectives and risk tolerance.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Regency has no affiliates.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Regency and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Regency's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to mdeck@regencyinvests.com, or by calling us at 559-438-2640.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell, for their personal accounts, securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
4. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis.
5. We have established procedures for the maintenance of all required books and records.
6. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery to and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

Item 12 Brokerage Practices

The Custodian and Brokers Regency Uses

Regency does not maintain custody of your assets that we manage, (although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account - *see Item 15 Custody, below*). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We may recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we/you instruct them to. While we may recommend that you use Schwab as custodian/broker if you hire Regency, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you although we may assist you in doing so. If you do not wish to place your assets with Schwab, then we may choose not to manage your account. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

Regency may recommend other brokers/custodians for certain lines of business, such as College 529 Plans, or management of an annuity (Regency does not sell annuities, but if a client has an existing annuity Regency may be able to assist in managing the underlying assets thru a different custodian/annuity company).

How Regency Selects Brokers/Custodians

Regency seeks to select a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (*see “Products and Services Available to Us from Schwab”*)

Your Custody and Brokerage Costs

For our clients’ accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. This commitment benefits you because the overall commission rates you pay are lower than they would be if we had not made the commitment. In addition to commissions Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How Regency selects Broker/Custodians”).

Products and Services Available to Us from Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. Here is a more detailed description of Schwab’s support services:

Services that Benefit You. Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would

require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers; and
- marketing consulting and support.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. This creates an incentive to require that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (*see Item 12 - How Regency selects brokers/custodians*) and not Schwab's services that benefit only us.

From time to time, trade errors may occur. To correct trade errors, Regency will place a correcting trade with the broker-dealer that has custody of the account, issue a "Restorative Payment" to the account, or issue a check directly to the client to make the client whole. If a correcting trade is placed, Schwab's policy is to charge Regency for any net losses exceeding \$100 when it is determined Regency is responsible for the error. For net losses less than \$100, Schwab will bear the loss to minimize and offset its administrative time and expense. If a net investment gain results from the correcting trade, the net gain will remain in the client's account unless the same error involved other client account(s) that should have received the gain, it is not permissible for the client to retain the gain, or the client decides to forego the gain (e.g. due to tax reasons). If the net gain does not remain in the client's account and Schwab is the custodian, Schwab will donate the amount of any net gain of \$100 or more to charity.

Clients that direct our firm to use a particular broker/dealer to execute all transactions are responsible for negotiating commission rates with the broker. To the extent that clients direct brokerage and negotiate their

own commission rates it is possible that such clients may have commission and brokerage arrangements that are more or less favorable than other clients.

On the infrequent occasions when we trade individual equities or individual fixed income securities for our clients, we do not aggregate such trades.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY/INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by members of the Investment Committee.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings (Regency does not provide quarterly reports on College 529 accounts, but rather, the account performance will be stated on the custodian's quarterly statement). With the client's permission, we may deliver these reports (and billing, if fees are not automatically deducted) electronically via Regency's Client Portal.

"OTHER" PORTFOLIO MANAGEMENT SERVICES

REVIEWS: We review the investment options for the account according to the agreed upon time intervals established in the Money Management Agreement.

These accounts are reviewed by members of the Investment Committee.

REPORTS: In addition to any statement and/or confirmations of transactions that clients receive from their broker-dealer and/or Plan, we will provide quarterly reports summarizing account performance, balances and holdings, limited to information available on our system. We will propose buys and/or sells subject to any limitations placed on the account by the broker and/or Plan, and any recommendations shall be consistent with the chosen risk levels and investment objectives for the account(s), *but the client is responsible for placing all recommended trades and monitoring the settlement of those trades*. With the clients' permission, we may deliver these reports (and billing invoices, if fees are not automatically deducted) electronically via Regency's Client Portal.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive the information as contracted for at the inception of the financial planning relationship.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Regency receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain amount. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Although we do not currently participate in Schwab's referral program called the Schwab Advisor Network (the "Service"), we pay Schwab Participation Fees on all previously referred client accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. For referrals after January 1, 2007, participation fees are a percentage of the value of the assets in the client's account. For referrals prior to January 1, 2007, the participation fee is a percentage of the fees the client owes to us. We pay Schwab Participation Fees for so long as the referred client's account remains in custody at Schwab. Participation Fees are billed to us quarterly and may be increased, decreased or waived by Schwab from time to time. Participation Fees are paid by us and not by the client. We do not charge clients referred through the Service fees or costs greater than the fees or costs we charge clients with similar portfolios who were not referred through the Service. We generally pay Schwab a Non-Schwab Custody Fee if custody of a referred clients' account is not maintained by, or assets in the account are transferred from, Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees we generally would pay in a single year. Thus, we will have an incentive to recommend that client accounts be held in custody at Schwab. The Participation and Non-Schwab Custody Fees are based on the amount of assets in accounts of our clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, we will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts at Schwab. For our clients' accounts maintained in custody at Schwab, Schwab generally does not charge the client separately for custody but receives compensation from the client in the form of commissions or other transaction-related compensation on securities trades Schwab executes for the client's accounts. Clients also pay Schwab a fee for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, we may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. We nevertheless, acknowledge our duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for our other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers

Our firm pays referral fees to one independent firm ("Solicitor") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate

the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral. Referral fees are 1/3 of the client revenue for an agreed upon timeframe. Regency may pay referral fees of 1/3 of the client revenue to Solicitor if their referral refers someone. Regency will make this new referral aware of this arrangement by providing a disclosure statement and advisory fees will not be increased as a result of any referral fee.

It is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

Clients open accounts using an application for a Broker/Custodian. These custodians maintain actual custody of client assets. Clients may grant Regency authority to trade in the accounts and debit management fees. Regency previously disclosed in the "Fees and Compensation" section (*Item 5*) of this Brochure that our firm directly debits advisory fees from client accounts if client authorization is given.

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Regency is also deemed to have custody of client assets when we have the authority to move your money to another person's account. Schwab maintains actual custody of your assets. Regency may be granted standing authorization by a client on their Schwab brokerage account to issue a check to a third party, transfer money between accounts with different owners or transfer money from a brokerage account to a bank account with different owners. In these cases, the client signs a Schwab form detailing the outgoing and incoming accounts/payees. The client can terminate these instructions at any time. Under no circumstance shall the receiving account or payee be Regency, nor should the funds be sent to Regency's address.

You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis (with the clients' permission, we may deliver these electronically via Regency's Client Portal). We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current. Regency does not send quarterly reports for 529 accounts (account performance will be stated on the custodian's quarterly statement).

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm and concurrently grant us this authority on their application with the broker/dealer and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

We recognize our duty of care and loyalty with regard to all services undertaken on the client's behalf, including proxy voting. We will vote proxies for ERISA clients unless the ERISA client directs us to not vote proxies because the right to vote those proxies has been reserved to the plan's trustees. We will not vote proxies for non-ERISA clients unless the client authorizes the custodian to allow us to vote on behalf of the client.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Some additional issues addressed in our Proxy Policy: we will not vote proxies for client-directed, "non-managed" assets held in a managed portfolio; we may vote proxies received for clients who have since terminated if we had the authority to vote as of the record date; we may vote proxies we receive on positions for which we have since sold for clients; and in the case of a conflict of interest, we will either 1) abstain from voting or 2) disclose to the clients and obtain client consent before voting.

Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Marci Deck. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If we inadvertently receive proof of claims for securities class action settlements on behalf of our clients, we will forward such information on to clients and will not take any further action with respect to the claim.

Clients can instruct us to vote proxies according to criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a proxy contest by contacting us at 559-438-2640.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. We have no additional financial circumstances to report.

Our firm has not been the subject of a bankruptcy petition at any time during the past ten years.