

**Brochure Form**

**ADV Part 2A Item 1**

**- Cover Page**



**Atlanta Financial Associates, LLC**

**CRD# 126703**

5901-B Peachtree Dunwoody Road  
Suite 275  
Atlanta, Georgia 30328

(770) 261-5380

**[www.AtlantaFinancial.com](http://www.AtlantaFinancial.com)**

**February 27, 2020**

This brochure provides information about the qualifications and business practices of Atlanta Financial Associates, LLC. If you have any questions about the contents of this brochure, please contact us at (770) 261-5380 or [admin@atlantafinancial.com](mailto:admin@atlantafinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Atlanta Financial Associates, LLC is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Atlanta Financial Associates, LLC also is available on the SEC's website at **[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov)**.

## **Item 2 - Material Changes**

At least annually, this section will discuss the material changes that are made to the Atlanta Financial Associates, LLC Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

Our last annual updating amendment occurred on February 8, 2019. The changes made to our Brochure and Brochure Supplements since that date are as follows:

- Item 4 was updated to disclose we no longer sponsor or participate in wrap free programs.

A copy of our updated Brochure and Brochure Supplements are available to you free of charge and may be requested by contacting us at (770) 261-5380 or [admin@atlantafinancial.com](mailto:admin@atlantafinancial.com).

Additional information about Atlanta Financial Associates, LLC is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The IARD number for Atlanta Financial Associates, LLC is 126703. The SEC's website also provides information about any persons affiliated with Atlanta Financial Associates, LLC who are registered, or are required to be registered, as Advisory Representatives of Atlanta Financial Associates, LLC.

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

### **General Information**

Atlanta Financial Associates, LLC (formerly Atlanta Financial Associates, Inc. and AFA Financial Services, Inc.) was formed in 1992 and provides financial planning, portfolio monitoring and general consulting services to its clients. As of December 31, 2018, we manage \$512,524,224 on a discretionary basis and \$38,500,000 on a non-discretionary basis.

Prosperity Financial Advisors, LLC, owned by Catherine C. Miller, Andrews Advisory Services, LLC, owned by Julianne F. Andrews, and Henderson Advisory Services, LLC, owned by Richard D. Henderson, are the principal owners of Atlanta Financial Associates, LLC Please see Brochure Supplements, Exhibit A, for more information on these principal owners and other individuals who formulate investment advice and have direct contact with clients.

### **SERVICES PROVIDED**

At the outset of each client relationship, Atlanta Financial Associates, LLC spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and broadly identifying major goals of the client.

### **Investment Management Services**

We are in the business of managing investment portfolios. 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 develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure. This service is offered on both a non-discretionary and discretionary basis.

Clients generally retain Atlanta Financial Associates, LLC to prepare a full financial plan. This written report is presented to the client for consideration. As a part of the financial planning process, Atlanta Financial Associates, LLC may design an Investment Plan for the client. The Investment Plan outlines the client's investment objectives and guidelines and may include an assessment of the client's risk tolerance. The Investment Plan typically outlines the types of investments that may be appropriate for the client in order to meet those goals.

In cases where Atlanta Financial Associates, LLC provides only limited financial planning or general consulting services, Atlanta Financial Associates, LLC will work with the client to prepare an appropriate summary of the specific project(s) to the extent necessary or advisable under the circumstances.

## Financial Planning

Financial planning may include advice that addresses one or more areas of a client's financial situation, such as estate planning, income tax planning, risk management, budgeting and cash flow controls, retirement planning, education funding, and investment portfolio design. Depending on a client's particular situation, financial planning may include some or all of the following:

**Budgeting and Cash Flow Analysis:** Atlanta Financial Associates, LLC will prepare a detailed budget and cash flow analysis for the client.

**Income Tax Planning Analysis:** Atlanta Financial Associates, LLC will prepare detailed tax advice and recommendations, based upon the information provided to Atlanta Financial Associates, LLC by the client and independent research conducted by Atlanta Financial Associates, LLC.

**Education Planning:** Atlanta Financial Associates, LLC will prepare a detailed financial plan, including generic investment recommendations, relating to the funding of educational expenses for the client or the client's children or other dependents.

**Retirement Planning:** Atlanta Financial Associates, LLC will prepare a detailed financial plan, including generic investment recommendations, dealing with the client's financial concerns relating to retirement.

**Estate Planning Analysis:** Atlanta Financial Associates, LLC will prepare a detailed financial plan, including generic investment recommendations, dealing with the client's financial concerns relating to the final disposition of the client's estate.

**Investment Analysis and Planning:** Atlanta Financial Associates, LLC will prepare a detailed analysis of the client's current financial situation and a detailed financial plan, including generic investment recommendations, based upon the analysis.

**Fringe Benefit Analysis:** Atlanta Financial Associates, LLC will prepare a detailed analysis, including generic investment recommendations, of the fringe benefits offered by the client, if the client acts as an employer, or received by the client, if the client acts as an employee.

**Risk Management/Insurance Planning:** Atlanta Financial Associates, LLC will prepare a detailed analysis of the client's current insurance portfolio, including generic insurance recommendations, based upon the analysis.

Some Advisory Associates of Atlanta Financial Associates, LLC are also registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS") PKS is a FINRA-registered broker/dealer. Once financial planning advice is provided by Atlanta Financial Associates, LLC, the client may choose to direct that the representative, in his/her role at PKS, implement the financial plan and manage the investment portfolio on an ongoing basis. However, the client is under no obligation to act upon any of the recommendations made by Atlanta Financial Associates, LLC under a financial planning engagement and/or engage the services of any recommended professional.

### Portfolio Monitoring Services

Atlanta Financial Associates, LLC offers investment advice through portfolio monitoring services, which do not include ongoing management of an investment account. Our Portfolio Monitoring services allow clients to engage us to provide review of assets held at their selected broker-dealer or custodian. This engagement does not involve Atlanta Financial Associates, LLC providing discretionary investment management services; however, we generally offer recommendations as necessary to meet clients' investment objectives. Clients will then need to effect the transactions to meet the suggested allocation.

### General Consulting

In addition to the foregoing services, Atlanta Financial Associates, LLC may provide general consulting services to clients. These services are generally provided on a project basis, and may include, without limitation, minimal cash flow planning for certain events such as education expenses or retirement, estate planning analysis, income tax planning analysis and review of a client's insurance portfolio, as well as other matters specific to the client as and when requested by the client and agreed to by Atlanta Financial Associates, LLC. The scope and fees for consulting services will be negotiated with each client at the time of engagement for the applicable projects.

### IRA Rollover Considerations

As part of our financial planning services, we may provide you with recommendations and advice concerning your employer retirement plan or other qualified retirement account. We may recommend that you withdraw the assets from your employer's retirement plan or other qualified retirement account and roll the assets over to an individual retirement account ("IRA"). You are under no obligation, contractually or otherwise, to complete the rollover.

Employers may permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each.

An employee will typically have four options:

1. Leave the funds in your employer's (former employer's) plan.
2. Roll over the funds to a new employer's retirement plan.
3. Cash out and take a taxable distribution from the plan.
4. Roll the funds into an IRA rollover account.

Each of these options has advantages and disadvantages. Before making a change, we encourage you to speak with your financial advisor, CPA and/or tax attorney.

Before rolling over your retirement funds to an IRA, carefully consider the following. NOTE: This list is not exhaustive.

Determine whether the investment options in your employer's retirement plan address your needs or whether other types of investments are needed.

- a. Employer retirement plans generally have a more limited investment menu than IRAs.
- b. Employer retirement plans may have unique investment options not available to the public such as employer securities or previously closed funds.

Your current plan may have lower fees than the new IRA.

a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.

You should understand the various products and services available through an IRA provider and their potential costs. It is likely you will not be charged a management fee and will not receive ongoing asset management services unless you elect to have such services. If your plan offers management services, there may be a fee associated with the service that is more or less than the new IRA.

1. The IRA provider's strategy may have higher risk than the option(s) provided to you in your plan.
2. Your current plan may offer financial advice, guidance, management, and/or portfolio options at no additional cost.
3. If you keep your assets titled in a 401k or retirement account and you are still working, you could potentially delay your required minimum distribution beyond age 70.5 (70 ½).
4. Your 401k may offer more liability protection than a rollover IRA; each state may vary. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies; however, there can be exceptions. Consult an attorney if you are concerned about protecting your retirement plan assets from creditors.
5. You may be able to take out a loan on your 401k, but not from an IRA.
6. IRA assets can be accessed any time; however, prior to age 59 ½, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses, or a home purchase.
7. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
8. Your plan may allow you to hire another firm as the manager and keep the assets titled in the plan name.

It is important that you understand your options, their features and differences and decide whether a rollover is best for you. If you have questions, contact us at our main number listed on the cover page of this brochure.

#### Wrap Fee Programs

We do not sponsor and participate in a wrap fee program.

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

#### General Fee Information

Fees paid to Atlanta Financial Associates, LLC are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third-party consultants. Please see ***Item 12 - Brokerage Practices*** for additional information. Fees paid to Atlanta Financial Associates, LLC are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, Atlanta Financial Associates, LLC and others to fully understand the total amount of fees paid by the client for investment and financial-related

services.

#### Investment Management

The fee schedule for investment management is as follows:

<b>Account Value</b>	<b>Annual Advisory Fee</b>
<b>\$0 - \$249,999.99</b>	1.50%
<b>\$250,000 - \$499,999.99</b>	1.25%
<b>\$500,000 - \$1,249,999.99</b>	1.00%
<b>\$1,250,000 - \$1,999,999.99</b>	0.90%
<b>\$2,000,000 - \$4,999,999.99</b>	0.80%
<b>Above \$5,000,000</b>	0.75%

The annual fees are negotiable and are pro-rated and paid in advance on quarterly basis. Advisory fees are directly debited from client accounts, or the client may choose to pay by check. Accounts initiated or terminated during a billing period will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 30 calendar days in advance. Upon termination of the account, any unearned fee will be refunded to the client on a prorated basis.

#### Financial Planning and General Consulting Fees

Financial planning and General Consulting Fees are billed at a rate of up to \$350 per hour, depending upon the personnel involved and the scope of services provided. Fees are due as services are rendered. Alternatively, Atlanta Financial Associates and the client may agree to a negotiated flat fee of up to \$25,000. At its discretion, Atlanta Financial Associates may require a deposit of up to 50% of the fee upon commencement of services, with the balance payable upon conclusion of the project.

#### Portfolio Monitoring Services Fee

Clients engaging Atlanta Financial Associates, LLC for Portfolio Monitoring services shall be charged an annual fee based upon a percentage of the market value of the assets being overseen. The annual fee is individually negotiated and will range from 0.25% to 2.00% depending on the size, scope and complexity of the arrangement. Fees are billed quarterly in advance based on the value of the assets at the end of the prior quarter.

Either Atlanta Financial Associates, LLC or the client may terminate their agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was monitored, and any fees due to Atlanta Financial Associates, LLC from the client will be invoiced or deducted from the client's designated fee account(s) prior to termination.

#### Other Compensation

Some Advisory Associate of Atlanta Financial Associates, LLC have obtained securities licenses and are Registered Representatives of PKS. As such, they spend approximately 5% of their time offering securities products on a fee or commission basis with PKS.

Advisory Associates of Atlanta Financial Associates, LLC, in their dual capacity, may offer clients the services of PKS. In return, they may share in a portion of the resulting advisory fees charged by



PKS. Clients are under no obligation to purchase or sell securities through persons associated with Atlanta Financial Associates, LLC. However, if clients choose to implement Atlanta Financial Associates, LLC's recommended plan, commissions will be earned in addition to any fees paid for advisory services. Commissions may be higher or lower at PKS than at other broker/dealers. Advisory Associates of Atlanta Financial Associates, LLC may have a conflict of interest in having clients purchase securities and/or insurance related products through PKS in that as their production with PKS rises, there is greater potential for obtaining a higher pay-out on commissions earned. Further, they may be restricted to only offering those products and services that have been reviewed and approved for offering to the public through PKS. PKS's Registered Representatives may act as the advisory client's representative in the execution of securities transactions on a normal and customary basis.

Advisory Associates of Atlanta Financial Associates, LLC may also receive financial benefits from investment sponsors related to sponsor educational meetings and/or client events. They are also licensed insurance agents in Georgia among other states and offer various insurance products for which they will be paid a commission. In such instances, there is no advisory fee associated with these insurance products. They spend approximately 5% of their time offering insurance products.

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

Atlanta Financial Associates, LLC does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Atlanta Financial Associates, LLC has no performance-based fee accounts, it has no side-by-side management.

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

Atlanta Financial Associates, LLC serves individuals, trusts and estates. Minimum annual fees may apply. Under certain circumstances and in its sole discretion, Atlanta Financial Associates, LLC may negotiate such minimums.

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

##### Methods of Analysis

Atlanta Financial Associates, LLC generally bases its financial planning analysis on the cash flow needs of the client and takes into consideration tax implications and other factors.

##### Investment Strategies

Atlanta Financial Associates, LLC may recommend that a client's investment portfolio be apportioned to various asset classes according to the client's goals, risk tolerance and investment horizon.

##### Risk of Loss

There can be no assurance that the recommended asset allocation will be able to fully meet a client's investment objectives and goals. Investing in securities involves risk of loss that clients should be prepared to bear.

Below is a description of several of the principal risks of the main asset classes.

*Equity Market Risks.* Atlanta Financial Associates, LLC may recommend that a client allocate a portion of investable assets to equity investments. As noted above, while pooled investments have

diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* Atlanta Financial Associates, LLC may recommend that a client allocate a portion of investable assets to fixed income instruments. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* Atlanta Financial Associates, LLC may recommend that a client gain exposure to fixed income or equity instruments via mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Atlanta Financial Associates, LLC or the integrity of Atlanta Financial Associates, LLC's management. Atlanta Financial Associates, LLC has no disciplinary events to report.

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

No Atlanta Financial Associates, LLC employee is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Advisory representatives of ***Atlanta Financial Associates, LLC*** are also Registered Representatives of PKS, member FINRA, SIPC. PKS is also licensed as a broker-dealer in the states in which PKS's or its representatives offer securities to clients. All prospective and existing clients are advised of this affiliation. Financial planning and hourly consultation clients are under no obligation to purchase or sell securities through these related persons; however, if they choose to implement a financial plan, commissions will be earned in addition to any fees paid for advisory services. They may be higher or lower at PKS than at other broker-dealers. ***Atlanta Financial Associates, LLC*** advisory personnel have a conflict of interest in recommending that clients purchase securities and/or insurance related products through PKS in that the higher their production with PKS the greater potential for obtaining a higher pay-out on commissions earned. Further, advisory personnel may be restricted to only offering those products and services that have been reviewed and approved for offering to the public through PKS. Advisory personnel of the firm are also licensed with various insurance companies as life, health, and accident insurance brokers with all appropriate state insurance regulators and customary commissions will be earned if a financial plan is

implemented using insurance sold by advisory personnel.

Christopher Blackmon and Janis Biggers are owners of Biggers Blackmon LLC, a tax practice. Clients of Atlanta Financial Associates, LLC are under no obligation to use Biggers Blackmon LLC for their accounting services.

## **Recommendations or Selections of Other Investment Advisers**

Atlanta Financial Associates, LLC does not recommend or select other investment advisers for its clients and does not have any other business relationships with other advisers.

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

### Code of Ethics and Personal Trading

Atlanta Financial Associates, LLC has adopted a Code of Ethics (“the Code”), the full text of which is available to you upon request. Atlanta Financial Associates, LLC’s Code has several goals. First, the Code is designed to assist Atlanta Financial Associates, LLC in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Atlanta Financial Associates, LLC owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with Atlanta Financial Associates, LLC’s (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Atlanta Financial Associates, LLC’s associated persons. Under the Code’s Professional Standards, Atlanta Financial Associates, LLC expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Atlanta Financial Associates, LLC associated persons are not to take inappropriate advantage of their positions in relation to Atlanta Financial Associates, LLC clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, Atlanta Financial Associates, LLC’s associated persons may invest in the same securities recommended to clients. Under its Code, Atlanta Financial Associates, LLC has adopted procedures designed to reduce or eliminate conflicts of interest that this could cause. The Code’s personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

### Participation or Interest in Client Transactions

Because client accounts are invested almost exclusively in open-end mutual funds and ETFs, there is little opportunity for a conflict of interest between personal trades by Atlanta Financial Associates, LLC associated persons and trades in client accounts, even when such accounts invest in the same securities. However, in the event of other identified trading conflicts of interest, Atlanta Financial Associates, LLC’s goal is to place client interests first.

Consistent with the foregoing, Atlanta Financial Associates, LLC maintains policies regarding participation in initial public offerings (IPOs) and private placements in order to comply with applicable laws and avoid conflicts with client transactions. Associated person are prohibited from participating in IPOs, but may invest in a private placement on the condition that he or she first

submits a pre-clearance request and obtains the approval of the Chief Compliance Officer.

## ***Item 12 - Brokerage Practices***

### **Factors Used to Select Custodians and/or Broker-Dealers**

Atlanta Financial Associates, LLC does not have any affiliation with Broker-Dealers, however we recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-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 instructed. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them.

We seek to recommend 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
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities 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, exchange traded 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 fees on trades that it executes or that settle into your Schwab account. Schwab's fees applicable to our client accounts were negotiated based on our commitment to maintain a certain level of our clients' assets statement equity in accounts at Schwab. This commitment benefits you because the overall fees you pay are lower than they would be if we had not made the commitment 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 fees 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.

### **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 - 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. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. 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; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself, up to \$350,000, for marketing, technology, consulting, and/or research. 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.

### **Our Interest in Schwab's Services**

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 so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business 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 potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's

services (based on the factors discussed above - see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us.

### **1. Research and Other Soft-Dollar Benefits**

We currently do not receive soft dollar benefits.

### **2. Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **3. Directed Brokerage**

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients money over using a lower-cost custodian.

### **Mutual Fund Share Classes**

When determining a mutual fund investment for a client, Atlanta Financial will review associated costs of all available share classes, consider the level of expected trading for the client, and conduct a reasoned analysis of which class of fund is best for the client overall as part of its best execution analysis. Over time additional share classes may become available. Atlanta Financial will continue to conduct a quarterly review of existing positions to determine if a share class exchange is in the best interest of the client.

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

Atlanta Financial Associates, LLC will contact financial planning clients and offer to review the plan either annually, semiannually, or quarterly, depending on the complexity of the client's situation. This will help to ensure that the plan still reflects the client's financial goals and objectives, and give Julianne F. Andrews, Catherine C. Miller or Richard Henderson the opportunity to amend the plan to accommodate any changes in the client's circumstances (retirement, marriage, disability, etc.). The service is optional, and the client is not obligated to accept. Since the original advisory contract signed by the client is valid for one year only, the client electing an annual review shall execute a new advisory contract.

Monitored assets will be reviewed quarterly. Reports are written and may include a comparison of asset allocation to target model(s), research reports on investments being used, rebalancing or trading recommendations, and comparison of performance vs. agreed upon benchmarks, among other options. Reporting frequency will be agreed upon with the client, but no more frequently than quarterly. Julianne F. Andrews, Catherine C. Miller or Richard Henderson review accounts.

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

We receive 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. 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.

### ***Item 15 - Custody***

Atlanta Financial Associates, LLC does not accept custody of client funds, however it is deemed to have limited custody solely with its ability to withdraw fees from clients' accounts. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

**Standing Letters of Authorization:** Atlanta Financial Associates, LLC does maintain a standing letter of authorization (SLOA) where the funds or securities are being sent to a third party, and the following conditions are met:

- a. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- b. The client authorizes Atlanta Financial Associates, LLC, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- c. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- d. The client has the ability to terminate or change the instruction to the client's qualified custodian.
- e. Atlanta Financial Associates, LLC has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- f. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.
- g. Atlanta Financial Associates, LLC maintains records showing that the third party is not a related party of Atlanta Financial Associates, LLC or located at the same address as Atlanta Financial Associates, LLC.

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

For those client accounts where we provide investment management services, we may maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

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

As a policy and in accordance with Atlanta Financial Associates, LLC's client agreement, Atlanta Financial Associates, LLC does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact Atlanta Financial Associates, LLC with questions relating to proxy procedures and proposals; however, Atlanta Financial Associates, LLC generally does not research particular proxy

proposals.

***Item 18 - Financial Information***

Atlanta Financial Associates, LLC does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore has no disclosure required for this item.