

Professional Financial Advisors, LLC

IARD/CRD# 173719

Principal Place of Business

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Professional Financial Advisors, LLC. If you have any questions about the contents of this brochure, contact us at 308-534-8210. 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 Professional Financial Advisors, LLC (CRD/IARD # 173719) is available on the SEC's website at www.adviserinfo.sec.gov.

Professional Financial Advisors, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment, dated February 21, 2019, we have the following material changes to report:

- Marc Werkmeister is now a 50% owner of our firm. Please see Item 4 for further information.
- Our main office location has moved to 1400 S. Dewey St., Suite 300, North Jeffers, NE 69103.
- TD Ameritrade, Inc. ("TD Ameritrade") recently eliminated transaction fees for U.S. listed equities and exchange traded funds. Please see our Wrap Fee Program Brochure for further information.
- Our firm receives indirect compensation in the form of marketing reimbursements from insurance providers. Please see Item 14 for further information.
- Our firm has obtained financial assistance by participating in Paycheck Protection Program ("PPP") established by the U.S. Small Business Administration ("SBA").

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Item 4 Advisory Business

Description of Firm

Professional Financial Advisors, LLC is a registered investment adviser primarily based in North Platte, Nebraska. We are organized as a Limited Liability Company (LLC) under the laws of the State of Nebraska. We have been providing investment advisory services since 2015. We are owned as follows:

- Marc Werkmeister – 50% owner
- Dana F. Cole & Company, LLP – 25% owner
- Doug Peterson – 25% owner

Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Portfolio Management Services offer through a non-wrap fee program
- Financial Planning Services
- Selection of Other Advisers
- Portfolio Management Services through our Wrap Fee Program (see *Appendix 1* to this Brochure)

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Professional Financial Advisors, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. We utilize the platform of a directly held mutual fund company, American Funds Service Company ("AFS"). Through AFS, we have access to a family of mutual funds with varying degrees of risk and investment objectives in order to create a customized and diversified portfolio for you.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific mutual fund(s), and the amount of the mutual fund(s) to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. The requested restrictions must be reasonable and will require our approval in order to ensure we can facilitate the restriction through the mutual fund family offerings.

Financial Planning Services

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad, comprehensive, financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we review and analyze the information you provide to our firm, we may deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Retirement Plan Consulting Services

Our firm provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising may include:

- Establishing an Investment Policy Statement – Our firm will assist in the development of a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our firm will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- Asset Allocation and Portfolio Construction – Our firm will develop strategic asset allocation models to aid Participants in developing strategies to meet their investment objectives, time horizon, financial situation and tolerance for risk.
- Investment Monitoring – Our firm will monitor the performance of the investments and notify the client in the event of over/underperformance and in times of market volatility.
- Participant Education – Our firm will provide opportunities to educate plan participants about their retirement plan offerings, different investment options, and general guidance on allocation strategies.

In providing services for retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”). All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accepts appointment to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

Financial Consulting Services

We offer financial consulting services that primarily involve advising clients on specific financial-related topics. The topics we address may include, but are not limited to, portfolio monitoring; investment planning, analysis, and allocation; risk assessment/management; financial organization or financial decision making/negotiation.

Selection of Other Advisers

As part of our investment advisory services, we may recommend that you use the services of a third party money manager (“MM”) to manage all, or a portion of, your investment portfolio. After gathering

information about your financial situation and objectives, we may recommend that you engage a specific MM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the MM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. Depending on your engagement with our firm, which will be evidenced in the agreement you sign with our firm, we may periodically monitor the MM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The MM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire MM(s) and/or reallocate your assets to other MM(s) where we deem such action appropriate. In circumstances where we do not have discretionary authority to hire and fire MM(s) and/or reallocate your assets to other MM(s), we will nevertheless monitor your account and may make recommendations to hire, fire, and/or reallocate your assets to other MM(s).

Wrap Fee Program(s)

We are a portfolio manager and a sponsor of a Wrap Fee Program, which is a type of investment program where clients pay a single fee that includes management fees and brokerage costs. If you participate in our Wrap Fee Program, you will pay our firm a single fee, which includes our money management fees and transaction costs. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our Wrap Fee Program may be higher or lower than you might incur by separately purchasing the types of securities available in the program. For more information concerning the Wrap Fee Program, please see our firm's Wrap Fee Brochure.

Transactions for your account must be executed by TD Ameritrade, Inc., a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, we recommend that you review our fees described in our wrap fee brochure and consider the costs (fees/commissions/transaction costs/etc.) that you might otherwise pay if you engage another registered investment adviser and/or broker-dealer that provides non-wrap fee management services. For more information concerning the Wrap Fee Program, please see *Appendix 1* to this Brochure.

Types of Investments

We primarily offer advice on equity securities, mutual fund shares, and exchange traded funds (ETFs). Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing via email, fax, or hand written correspondence (Certified Mail with Return Receipt Requested).

Assets Under Management

As of December 31, 2019, we provide continuous management services for \$196,789,683 in client assets on a discretionary basis, and \$0 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Portfolio Management Services

Our annual fee for portfolio management services is equal to 0.75% of the market value of your assets under our management. Since the assets will be held directly with the mutual fund company, all assets in each of your account(s) are included in the fee assessment. The mutual fund share class we use through AFS does not include 12B-1 fees. You will, however, be required to pay standard custodial and account maintenance fees, please refer to AFS account opening paperwork for additional information.

Our annual portfolio management fee is calculated quarterly based on the last business day of February, May, August and November. The fee is calculated by AFS based on the average daily net assets value ("NAV") of assets invested during the quarter. Fees are billed and payable quarterly in arrears in the months of March, June, September and December. For example, the fee for the period covering December, January and February will be calculated on the last business day of February. You will be billed and the fee will be deducted from your account in the first week of March.

If the portfolio management agreement is executed at any time other than the first day of a billing cycle, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the billing cycle for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Financial Planning Services

We offer financial planning services on an hourly basis with our hourly fee ranging from \$100 to \$500 depending on the scope and complexity of the requested services. The hourly fee is negotiable depending on individual circumstances, such as the scope and complexity of the requested services. Our hourly fees are billed upon completion of services rendered, and payment is due upon receipt of the billing invoice.

In determining the scope and complexity of the engagement, the Adviser will take into account the financial planning services to be rendered to the client. Our financial planning services include, but are not limited to:

_____ Cash Flow	_____ Retirement Needs	_____ Investment Holdings
_____ Net Worth	_____ Retirement Income	_____ Investment Savings Plan
_____ Beneficiaries	_____ Insurance Policies & Needs	_____ Estate Planning
_____ Business Value	_____ Business Succession	_____ Retirement Plan Design

We do not require advance payments in excess of \$1,200 for services not performed within six months

from the date of engagement. You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement.

Retirement Plan Consulting Services

Our Retirement Plan Consulting services are billed as a fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Fees based on a percentage of managed Plan assets will not exceed 0.95%. The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement.

Financial Consulting Services

We charge a fixed fee for financial consulting services. Fixed fees are negotiable and range from \$0 to \$3,000, depending on the scope and complexity of services rendered. Our consulting fee is payable upon completion of the agreed upon consulting services.

Mutual Securities, Inc. ("Mutual Securities") Brokerage Customers Only: For those Mutual Securities' brokerage customers who have requested separate investment advisory services, Mutual Securities has agreed to cover the costs associated with Adviser's Financial Consulting Services. Therefore, you will not be responsible for the payment of our advisory fee. Mutual Securities has agreed to pay us a percentage of the assets that we advise on.

You may terminate the financial consulting agreement upon written notice to our firm. If financial consulting fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial consulting agreement.

Selection of Other Advisers

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to the MM. The advisory fee you pay to the MM is established and payable in accordance with the brochure provided by each MM to whom you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each MM. As such, a conflict of interest exists where our firm or persons associated with our firm may have an incentive to recommend one MM over another MM with whom we have more favorable compensation arrangements.

You may be required to sign an agreement directly with the recommended MM(s). You may terminate your advisory relationship with the MM according to the terms of your agreement with the MM. You should review each MM's brochure for specific information on how you may terminate your advisory relationship with the MM and how you may receive a refund, if applicable. You should contact the MM directly for questions regarding your advisory agreement with the MM.

Wrap Fee Program(s)

We are a portfolio manager and a sponsor of a Wrap Fee Program, which is a type of investment program where clients pay a single fee that includes management fees and brokerage costs. If you participate in our Wrap Fee Program, you will pay our firm a single fee, which includes our money management fees and transaction costs. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our Wrap Fee Program may be higher or lower than you might incur by separately purchasing the types of securities available in the program. For more information concerning the Wrap Fee Program, please see our firm's Wrap Fee Brochure.

Transactions for your account must be executed by TD Ameritrade, Inc., a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. To compare the cost of the wrap fee program with non-wrap fee portfolio management

services, you should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by TD Ameritrade, Inc. or other broker-dealers, and the advisory fees charged by investment advisers. For more information concerning the Wrap Fee Program, please see *Appendix 1* to this Brochure.

Our annual portfolio management fee for portfolio management services is billed and payable quarterly in arrears based on the market value of your account on the last business day of the quarter. For the initial quarter of portfolio management services, the first quarter's fees will be calculated on a pro rata basis, which means the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. As referenced in Item 4 above, our portfolio management services are offered exclusively through our Wrap Fee Program. For more information concerning the Wrap Fee Program, please see *Appendix 1* to this Brochure.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

Non-Wrap Clients will incur transaction fees for trades executed by their chosen custodian based on a percentage of the dollar amount of assets in the account(s). These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian. TD Ameritrade, Inc. ("TD Ameritrade") does not charge transaction fees for U.S. listed equities and exchange traded funds.

Compensation for Other Investment Products

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons may earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have a financial incentive to recommend insurance products to you. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer investment advisory services to individuals (other than high net worth individuals) and high net worth individuals.

In general, we require a minimum of \$2,000 to open and maintain an advisory account under our Wrap Fee Portfolio Management Program. For more information concerning the Wrap Fee Program, please

refer to Part 2 *Appendix 1* (Wrap Fee Disclosure Brochure).

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

Our Methods of Analysis and Investment Strategies

If you have retained our firm for Wrap Fee Portfolio Management Services, please refer to the Wrap Fee Disclosure Brochure for more information on our methods of analysis and investment strategies used with that Program. As part of our portfolio management, financial planning and selection of other adviser services, we may consider the one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Charting Analysis - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index, or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

Risk: Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Technical Analysis - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

Risk: The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Modern Portfolio Theory (MPT) - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

Risk: Market risk is that part of a security's risk that is common to all securities of the same

general class (stocks and bonds) and thus cannot be eliminated by diversification.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

We primarily recommend equity securities, mutual fund shares, and exchange traded funds (ETFs). However, we may advise on other types of investments as appropriate for you since each client has

different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and ETFs: Mutual funds and exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

Debt Securities (Bonds): Issuers use debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. Bonds with longer rates of maturity tend to have greater interest rate risks.

Certain additional risk factors relating to debt securities include: (a) When interest rates are declining, investors have to reinvest their interest income and any return of principal, whether scheduled or unscheduled, at lower prevailing rates.; (b) Inflation causes tomorrow's dollar to be worth less than today's; in other words, it reduces the purchasing power of a bond investor's future interest payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices.; (c) Debt securities may be sensitive to economic changes, political and corporate developments, and interest rate changes. Investors can also expect periods of economic change and uncertainty, which can result in increased volatility of market prices and yields of certain debt securities. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices. (d) Debt securities may contain redemption or call provisions entitling their issuers to redeem them at a specified price on a date prior to maturity. If an issuer exercises these provisions in a lower interest rate market, the account would have to replace the security with a lower yielding security, resulting in decreased income to investors. Usually, a bond is called at or close to par value. This

subjects investors that paid a premium for their bond risk of lost principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to be called.; (e) If the issuer of a debt security defaults on its obligations to pay interest or principal or is the subject of bankruptcy proceedings, the account may incur losses or expenses in seeking recovery of amounts owed to it.; (f) There may be little trading in the secondary market for particular debt securities, which may affect adversely the account's ability to value accurately or dispose of such debt securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of debt securities.

Our firm attempts to reduce the risks described above through diversification of the client's portfolio and by credit analysis of each issuer, as well as by monitoring broad economic trends and corporate and legislative developments, but there can be no assurance that our firm will be successful in doing so. Credit ratings for debt securities provided by rating agencies reflect an evaluation of the safety of principal and interest payments, not market value risk. The rating of an issuer is a rating agency's view of past and future potential developments related to the issuer and may not necessarily reflect actual outcomes. There can be a lag between the time of developments relating to an issuer and the time a rating is assigned and updated.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any criminal action, civil action, regulatory proceeding, or self-regulatory organization proceeding to disclose under this item.

For disclosures that may pertain to individual investment adviser representatives, please refer to that individual's ADV 2B.

Item 10 Other Financial Industry Activities and Affiliations

Licensed Insurance Agents

Persons providing investment advice on behalf of our firm may be licensed as independent insurance agents. These persons may earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have a financial incentive to recommend insurance products to you. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Accounting Firm

We are affiliated with Dana F. Cole & Company, LLP through common control and ownership. If you require accounting services, we may recommend that you use Dana F. Cole & Company, LLP. Our advisory services are separate and distinct from the compensation paid to Dana F. Cole & Company, LLP for their services.

Consulting Firm

We are affiliated with Donna's Office Service, LLC, a railroad retirement consulting firm, through common control and ownership. If you require consulting services, we may recommend that you use Donna's Office Service, LLC. Our advisory services are separate and distinct from the compensation paid to Donna's Office Service, LLC for their services.

Referral arrangements with an affiliated entity presents a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe

that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

Recommendation of Other Advisers

We may recommend that you use a third party adviser ("MM") based on your needs and suitability. We will receive compensation from the MM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. However, as your investment advisor, we have a fiduciary obligation to always act in your best interest. You have the right to decide whether or not to use the services of any MM.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities. You have the right to decide if you will use the recommended services.

Item 12 Brokerage Practices

Brokerage Recommendations

We recommend the brokerage and custodial services of TD Ameritrade, Inc., American Fund Distributors, Inc., and Mutual Securities, Inc. (collectively referred to a "Custodian/Broker"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian/Broker provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

American Funds Distributors Inc.

American Funds Distributors Inc. supports the platform of American Funds Service Company ("AFS"). In order to participate in our portfolio management services that are offered through a non-wrap fee program, you will be required to open an account directly with AFS.

Our relationship with AFS may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your account(s). We believe that the recommended broker-dealer provides quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

TD Ameritrade, Inc.

We are a portfolio manager to and sponsor of a wrap fee program, which is a type of investment program that provides clients with advisory and brokerage services for a single fee. If you participate in our wrap fee program, you will pay our firm a single fee, which includes our portfolio management fees, transaction costs, and custodial and administrative costs. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program. Transactions for your wrap account must be executed by TD Ameritrade, Inc., a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. TD Ameritrade, Inc. ("TD Ameritrade") does not charge transaction fees for U.S. listed equities and exchange traded funds. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by TD Ameritrade, Inc. or other broker-dealers, and the advisory fees charged by investment advisers. For more information concerning the Wrap Fee Program, please see *Appendix 1* to this Brochure.

If we refer you to a third party money manager, you should review each third party adviser's disclosure brochure for specific information on their brokerage practices.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely require that you direct our firm to execute transactions through TD Ameritrade, Inc. for wrap fee accounts, and American Fund Distributors, Inc. or Mutual Securities, Inc. for non-wrap fee accounts. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Block Trades

We do not combine multiple orders for shares of the same securities purchased for non-wrap advisory accounts we manage (this practice is commonly referred to as "block trading") because we invest solely in Mutual Funds which do not trade in blocks.

Mutual Fund Share Classes

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

Item 13 Review of Accounts**Portfolio Management Services**

Investment Adviser Representatives of our firm will monitor your accounts on an ongoing basis and will conduct internal account reviews at least quarterly and upon your request to ensure that the advisory services provided to you are consistent with your stated investment needs and objectives. We will provide you with a quarterly report and conduct annual account review with you upon your request.

Financial Planning

Investment Adviser Representatives of our firm will review your financial plan as agreed upon in the financial planning agreement that you sign with our firm. Otherwise, we will review your financial plan only upon your request. Such review will be subject to hourly rate. The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

Selection of Other Advisers

Investment Adviser Representatives of our firm will monitor your accounts on an ongoing basis and will conduct internal account reviews at least quarterly and upon your request to ensure that the advisory services provided to you are consistent with your stated investment needs and objectives.

Additional reviews may be conducted based on various circumstances, including, but not limited to: contributions and withdrawals; year-end tax planning; market moving events; security specific events; and/or, changes in your risk/return objectives. Please refer to the recommended MM's disclosure brochure (Item 13) for specifics regarding their review of your account and what

documents if any you will receive.

Item 14 Client Referrals and Other Compensation

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm may be licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the *Fees and Compensation* section.

Persons providing investment advice on behalf of our firm may recommend that you use the services of a third party money manager ("MM") to manage all, or a portion of, your investment portfolio. While we do not charge you a separate fee for the selection of other advisers, we will share in the advisory fee you pay directly to the MM. For information on this and the conflicts of interest, please refer to the *Fees and Compensation* section.

Other Compensation

We receive compensation from Portfolio Strategies, Inc. for referring clients to them. This arrangement will not cause you to pay more in advisory fees than you would otherwise pay had there been no solicitor's compensation. All referral fees paid to us represent a portion of the fees actually charged to you by Portfolio Strategies, Inc. for investment advisory services. There is no differential between the amount or level of investment advisory fees that Portfolio Strategies, Inc. will charge for managing the client account(s) in excess of that which they would customarily charge for managing any other new client's account with similar assets and which was not referred to Portfolio Strategies, Inc. by us.

Financial Independence Group (FIG) provides marketing reimbursements based on the amount of insurance written by individuals of our firm who are licensed insurance agents. While these reimbursements are not paid directly to our firm, the marketing does benefit us indirectly.

Referral Fees

Our firm pays referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to the referred client. In this regard, our firm maintains Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, our firm ensures that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If our firm is paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

Item 18 Financial Information

Our firm does not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

Our firm has obtained financial assistance by participating in Paycheck Protection Program ("PPP") established by the U.S. Small Business Administration ("SBA"). PPP is intended to assist us with maintaining our firm's business in response to the COVID-19 pandemic by providing low-interest loans for business essentials such as payroll expenses. These loans are eligible for forgiveness, but it is not guaranteed as it will be based on factors such as staff retention and being used for payroll or firm overhead.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information

with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers 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:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

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

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 1. Employer retirement plans generally have a more limited investment menu than IRAs.
 2. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 1. 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.
 2. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.

3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 1. 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 some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, 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 the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

However, for accounts custodied at TD Ameritrade Inc., as of April 1, 2014, if a profit results from correcting the trade, you will not retain the profit as all net gains (positive error accounts balances resulting from trade corrections) will be moved to a TD Ameritrade error account and subsequently donated to charity.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.