
Item 1 – Cover Page

Brochure

Adaptation Financial Advisors Inc.

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www.adaptadvisors.com

May 26, 2020

This Brochure provides information about the qualifications and business practices of Adaptation Financial Advisors Inc. (“Adaptation Financial”, “firm”, “us”, “we” or “our”). When we use the words “you”, “your” and “client” we are referring to you as our client or our prospective client. We use the term “supervised person” when referring to our officers, employees, and all individuals providing investment advice on behalf of Adaptation Financial. If you have any questions about the contents of this Brochure, please contact us at 972-774-0700 or kcox@rockgatefinancial.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Adaptation Financial is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by Adaptation Financial, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain Adaptation Financial as your adviser.

Additional information about Adaptation Financial also is available on the SEC’s website at www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated or registered with, and or required to be registered, as investment adviser representatives of Adaptation Financial.

Item 2 - Material Changes

This Brochure reflects the current advisory activities of Adaptation Financial as of May 1, 2020, and is posted on the SEC's public disclosure website ("IAPD") at www.advisorinfo.sec.gov.

In the future we will provide new clients with a Brochure before or at the time we enter into an advisory agreement. In the future, we will deliver to our clients, within 120 days of the end of each fiscal year, a free, updated Brochure that either includes or is accompanied by a summary of material changes. Alternatively, we may deliver a summary of material changes that includes an offer to provide a copy of the updated Brochure and information on how our clients may obtain the Brochure.

Currently, our Brochure may be requested by contacting Kevin V. Cox, CEO at 972-774-0700. Our Brochure is also available on our web site www.adaptadvisors.com, free of charge.

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Item 4 – Advisory Business

Adaptation Financial will provide discretionary and non-discretionary portfolio management on a continuous and regular basis, including financial planning, general investment advice, portfolio monitoring and evaluation, on the terms and conditions specified in the customer profile and advisory agreement signed by the client.

Ownership

Adaptation Financial is a wholly owned subsidiary of APN Adaptation Financial Holdings LLC, an Oklahoma limited liability company. Alan P. Niemann and Kevin V. Cox are the sole members of APN Adaptation Financial Holdings LLC. Adaptation Financial was formed February 20, 2020 and is registering with the SEC.

Services Offered

Adaptation Financial offers a variety of advisory services to its clients. Such services include portfolio management and wealth management, financial planning and consulting services. In working with clients, Adaptation Financial seeks first to evaluate each client's current, holistic financial situation. Adaptation Financial then designs and implements an investment plan aimed at achieving a client's financial objectives. Prior to rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with the Firm setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

Investment Products

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, U.S. Government securities, options contracts on securities and ETFs. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. 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.

Assets Under Management

As of the date of this Brochure, Adaptation Financial has no assets under management.

Wrap Fees

Adaptation Financial does not serve as a sponsor of a wrap fee program. To this end, Adaptation Financial offers its portfolio management services on platforms where a third-party investment adviser serves as the sponsor of the wrap program. Adaptation Financial offers wrap portfolio management services through the Royal Alliance Associates Advisory Managed Portfolios platform, which wrap fee program is described in their Wrap Fee Brochure. We will provide this

brochure to you prior to or concurrent with your enrollment in the Program. Please read it thoroughly before investing.

Overview of Services Offered

Portfolio and Wealth Management Services

Adaptation Financial manages client investment portfolios on a discretionary and non-discretionary basis. In addition, we provide clients with wealth management services that include a broad range of comprehensive financial planning services in addition to the discretionary management of investment portfolios. Adaptation Financial tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. We consult with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients may participate in one or more investment programs that we offer depending upon a client's specific needs and objectives. These programs include:

- *VISION2020 Wealth Management Program* – We provide individualized portfolio management and investment allocation strategies uniquely developed for each client and implemented through a process of selecting separate account managers/programs.
- *Referrals to unaffiliated private Money Managers* – We provide access to the investment advisory services of third-party money managers.

Clients are advised to promptly notify us if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if we determine, in our sole discretion, the conditions will not materially impact the performance of a management strategy or prove overly burdensome to our management efforts.

VISION2020 Wealth Management Platform:

Our firm offers individual portfolio management services to its advisory clients through the VISION2020 Wealth Management Program sponsored by and offered through Royal Alliance. We will provide continuous advice to a client regarding the investment of client funds based on the client's individual needs. Through personal discussions in which a client's goals and objectives are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During this 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. We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (growth, growth and income, balanced growth and income, income and moderate growth or income), well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

We will create a portfolio consisting primarily of mutual funds and exchange traded funds ("ETFs"), but may also include individual stocks, bonds, and other investment products.

Wealth Management – Advisor Managed Portfolios Program:

The Wealth Management Platform – Advisor Managed Portfolios Program ("Advisor Managed Portfolios") provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through our Custodians (as defined hereafter in Item 12).

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and rebalancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of a mix of stocks, bonds, mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts (certain restrictions may apply) and other investments. Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further Advisor Managed Portfolios details, please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.

Third-Party Investment Advisors Services

Adaptation Financial will use the services of third-party investment advisors as sub-advisors. If we choose this option, we will select a third-party investment advisor whose style and talent best fit your individual needs and objectives. Your agreement with us gives us the authority to hire or fire these managers on your behalf. Once a third-party investment advisor is selected, we will continue to monitor their performance. If our services to you include the use of these third-party investment advisors, you will typically sign an agreement with them in addition to the advisory agreement you will sign with Adaptation Financial. If you are interested in learning more about any of these third-party investment advisors and their services, a complete description of their programs, services, fees, payment structure and termination features are found in their service disclosure brochures, investment advisory contracts, and account opening documents. Our advisory responsibility is to select and monitor any third-party investment advisor that provides services to us. Factors that we consider in their selection may include:

- Their size
- How long they have been in business
- The experience level and turnover of their portfolio managers
- A review of their historical performance and risk measurements
- A review of their disclosure documents

In deciding to use a third-party investment adviser to manage your assets, we consider your risk tolerance, goals, objectives, time horizons, and general financial situation. We also consider your level of investment experience and the assets you have available for investment. If you were to go to these third-party investment advisors on your own, the fees they charge you may be more or less than going through us. However, when using their services directly, you will not receive our expertise in developing an investment strategy, selecting the third-party investment advisors to use, monitoring the performance of your account and changing third-party investment advisors if needed.

Financial Planning and Consulting Services

Adaptation Financial offers clients a broad range of financial planning and consulting services, which may include any or all of the following functions:

- Investment Consulting
- Insurance Planning
- Retirement Planning
- Debt Planning
- Estate Planning
- Cash flow Planning
- Charitable Giving
- Business Planning
- Trust and Estate Planning
- Succession Planning
- Special Needs Planning
- Income Planning
- Key Employee Retention Planning
- Estate Equalization

While these services are generally rendered in conjunction with portfolio management as part of a comprehensive wealth management engagement (as described above), clients can engage us to provide these services on a stand-alone basis. In performing these services, we are not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by us under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising our recommendations and/or services.

Retirement Plan Consulting Services

Adaptation Financial offers retirement plan consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (the "Company") in meeting their management and fiduciary obligations to the plan under ERISA. Retirement consulting services will consist of general or specific advice, and may include any one or all of the following:

- Strategic Planning and Investment Policy Development/Review.
- Plan Review.
- Plan Fee and Cost Review.
- Acting as a Third-Party Service Provider Liaison.
- Assessment of Plan Investments and Investment Options.
- Plan Participant Education and Communication.

The Company may also engage us to provide the following additional services, for separate compensation:

- Review of Executive Benefits.
- Assist with Plan Conversion.
- Merger and Acquisition Assistance.
- Assist with Corrective Actions to Comply with Applicable Regulations.
- Coordination with Other Advisers.

We will determine with the Company in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide pension consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee-paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement.

When we perform our agreed upon services, we will rely on the information provided to us by the Company. We will not be required to verify the accuracy or consistency of any information received from the Company.

We will serve in a fiduciary capacity with respect to some of the services that we provide which will be further explained in the written agreement we sign with the Company. The Company is always free to seek independent advice about the appropriateness of any recommendations made by us.

Educational Seminars and workshops

Adaptation Financial may hold investment-related educational seminars and/or educational events to existing clients, prospective clients, and the general investing public. The seminars feature general investment-related advice for educational purposes and may include both securities and non-securities topics. No specific individualized investment advice regarding investment objectives or investment related needs of the attendees, listeners, or audience is rendered during seminars. However, participants are free to schedule meetings with the Adviser(s) in an effort to obtain personalized investment advice.

ERISA Clients

With regard to prospective ERISA clients, Adaptation Financial does not generally assume the role of a fiduciary with respect to ERISA plans.

Education

All personnel of Adaptation Financial are expected to have education and business backgrounds that enable them to perform their respective responsibilities effectively. In assigning responsibilities, we consider academic background (including studies in college and graduate schools, as well as degrees earned), industry training, licenses and certifications. Work experience in a related field, such as investments, commodities, insurance, banking or accounting, is also

considered. No formal, specific standards have been set, but appropriate education and experience are required. See ADV Form Part 2B for additional information.

Item 5 – Fees and Compensation

Types of Compensation

Based on the investment services provided, Adaptation Financial is compensated by the following means:

- A percentage of assets under management
- Hourly charges
- Fixed fees (other than subscription fees)

Portfolio and Wealth Investment Management Fees

Establishment Fee:

At the onset of each investment management relationship, we have the discretion to charge a one-time fixed fee, ranging from \$250 - \$1000, which is determined by the complexity and scope of your financial profile. The advisory professional assigned to your account will fully discuss and disclose the amount of the establishment fee at the time of the signing of the investment management agreement. The establishment fee if imposed is due and payable upon presentation of the financial profile.

Portfolio Investment Management Fee:

The range of Investment Management Advisory Fees is as follows:

<u>Total Account Value</u>	<u>Maximum Advisory Fee</u>
First \$0 - \$250,000	1.50%
Next \$250,001 - \$500,000	1.25%
Next \$500,001 - \$1,000,000	1.00%
Next \$1,000,001 - \$2,000,000	1.00%
Next \$2,000,001 - \$3,000,000	0.80%
Next \$3,000,000 - \$4,000,000	0.60%
Over \$4,000,001	Negotiable

All fees are subject to negotiation. The amounts and specific manner in which fees are charged is negotiated and memorialized in Adaptation Financials' advisory agreement with our clients. We bill our portfolio management fees on a quarterly basis, in arrears based upon the asset value of the client's account at quarter-end. The valuation of securities and other instruments are generally determined by their last reported sale price on the principal market in which they are traded as reflected on the Custodians account statements, if traded on a market for which transaction prices are publicly reports. Otherwise, other readily marketable securities and instruments are valued by using a pricing service or by other equitable means consistent with the fiduciary duty of the money manager to determine a fair market value.

Monies added during the quarter including contributions thru payroll reduction, dividends, interest, capital gains, all sources of income regardless of timing will be included in the fee computation at the end of the quarter as if invested during the entire period. Rollovers and transfers directly from Fund Company to Fund Company that are added during the quarter will be prorated from the date of deposit to the end of that quarter.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts.

Transaction Costs

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Mutual fund investments in the programs that we offer are no-load or load at net asset value ("NAV"). Your mutual fund investments will be subject to early redemption fees, and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

In addition to the per-trade transaction charges referenced above, you will also be subject to per-trade confirmations fees as disclosed on your trade confirmations (typically \$4.00 per trade) and an additional fee of \$1.50 for each trade confirmations that you do not elect to receive electronically. You will also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmations (generally less than \$1.00 on trades of \$40,000 or less). These fees are not shared with us but are transaction charges paid to Royal Alliance. Please see Item 10 which explains our relationship with Royal Alliance.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you will incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

Should you not elect to receive trade confirmations electronically, you will be charged an additional fee of \$1.50 for all trade confirmations forwarded to you. You will also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmations (generally less than \$1.00 on trades of \$40,000 or less). These fees are not shared with us, but are transaction charges paid to Royal Alliance. See also "*Item 10 -Other Financial Industry Activities and Affiliation, Brokerage Practices and Client Referrals and Other Compensation*" for a description of our relationship with Royal Alliance, the additional compensation received by Adaptation Financial, a description of factors that Adaptation Financial

considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions), and potential conflicts of interests related to certain affiliations.

Please be aware that you are under no obligation to purchase products or services recommended by us or advisors of Adaptation Financial in connection with providing you with any advisory service that we offer.

Third-Party Investment Advisor Fees

The fees payable to Adaptation Financial for third-party advisory services will depend upon the fee arrangement between Adaptation Financial and the third-party advisor to whom you are referred to. We will either share in the fee paid by you to the third-party advisor or charge a fee that is in addition to the fee paid to the third-party advisor. Clients will receive a full disclosure of the fee schedule, including fees received by Adaptation Financial, and the services to be provided to you by Adaptation Financial and the third-party advisor in the investment advisory agreement between the parties, and the relevant third-party advisor's brochure or equivalent disclosure document and privacy policy, prior to placing the assets with the third-party advisor selected. In addition, if the investment program recommended to you is a wrap fee program, you will also receive the equivalent wrap fee brochure provided by the sponsor of the program.

The basic fee schedule for these services will vary based on the third-party advisor chosen to provide this service. The fee will be based on the amount of assets managed and could be negotiable. Such compensation differs depending upon the individual agreement we have with each third-party advisor.

Financial Planning and Consulting Fees

We charge fixed and/or hourly fees for financial planning and consulting services. Fees are based on several factors including time and labor, the nature and complexity of your situation, and any special circumstances involved. These fees are negotiable.

The terms and conditions of the financial planning and/or consulting engagements are set forth in the Financial Planning Agreement, and we generally require one-half of the fee (estimated fixed) payable upon execution of the Financial Planning Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. Fixed or flat fees for a financial plan will range from \$500 - \$10,000, depending on the nature and complexity of your circumstances. In addition to financial planning, we can provide you with consultation on various financial topics to address your specific needs and objectives. Your Advisory Representative will analyze your current financial situation and investment goals and present strategies and recommendations to help you attain those goals. Adaptation Financial charges an hourly fee ranging from \$150.00 to \$500.00 per hour. For administrative and clerical time, we charge between \$75.00 and \$125.00 per hour. These hourly rates are billed monthly and are due and payable as incurred.

In the event that you terminate your Financial Planning Agreement, the balance of our unearned fees, if any, will be returned to you in a timely manner.

Retirement Plan Consulting Services Fee Schedule

We will bill the Company (Employer) for Retirement Plan Consulting Services at a pre-determined hourly rate. The exact fee is negotiated in advance of services rendered and is disclosed in the executed written agreement that we sign with the Company. Fees will be billed quarterly in arrears. In special circumstances, other fee-paying arrangements may be negotiated. Our hourly fee is \$350.00 per hour for retirement plan consulting services.

Seminars and Workshops

Our Advisory Representatives are permitted to host seminars or workshops on various financial topics that encourage clients to seek investment advisory services or purchase securities or insurance products. Fees for the seminars or workshops generally range from \$0 to \$250 per session. Fees may be negotiable for group rates and are negotiated based upon the number of attendees and the content of the seminar or workshops. Fees are due before the seminar or workshop or on the day of the seminar or workshop, as set forth in the announcement. Cancellation and refund provisions for prepaid fees are disclosed in the seminar or workshop announcement or invitation

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

Adaptation Financial does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client), nor does it engage in side-by-side management.

Item 7 – Types of Clients

We offer portfolio management investment advice to the following types of clients:

- Individuals
- Families
- High net worth individuals
- High net worth families
- Pension and profit- sharing plans (other than participants)
- Charitable organizations
- Trusts
- Estates
- Private business owners
- Public company affiliates
- Private foundations

Account Minimum Requirements

As a condition for starting and maintaining an investment management relationship, Adaptation Financial generally imposes a minimum portfolio value of \$40,000. Adaptation Financial may, in its sole discretion, accept clients with smaller portfolios based upon certain circumstances. Such circumstances may include but not be limited to the addition of assets to your account in the future, or the fact that you and or family may have other accounts under management with us.

Third-party managers also have their own account size and/or fee minimums. These will be disclosed in the manager's disclosure documents and any agreements you may sign with them. We also try to disclose these management fees (or fee ranges) in the client agreement that you will sign with us.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

Analysis Methods

Security analysis methods utilized by Adaptation Financial include the following:

Charting

Charting analysis seeks to identify resistance and support reference prices for decisions to buy (price hits the support) or sell (price hits the resistance). Through charting, the analysis seeks to identify price patterns and market trends in financial markets. Charting may apply to long-term investing or be used as a market-timing strategy, depending on the timeframe of the price charts.

Fundamental

Fundamental analysis maintains that markets may misprice a security in the short run, but that the correct price will eventually be reached by the market. The fundamental analysis of a business involves analyzing a businesses: financial statements and health, management and competitive advantages, and competitors and markets. When applied to futures and forex, it focuses on the overall state of the economy, interest rates, production, earnings, and management.

Technical

Technical analysis maintains that all information is already reflected in the stock price. Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

Cyclical

Cyclical analysis generally targets cyclical stocks for purchase of equity securities when the ratio of price-to-earnings (P/E Ratio) is low and sell them when the P/E Ratio is high (i.e. when

earnings are peaking). The P/E Ratio is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share.

Sources of Information

Some of the sources of information that Adaptation Financial uses to analyze these investment strategies are newspapers, magazines, newsletters and news services to evaluate the economic environment and the prospects for specific securities including mutual funds. In addition, Adaptation Financial also relies upon outside consultants to provide evaluations of specific securities and the prospects of various sectors of the economy. In some cases, Adaptation Financial may visit the corporate headquarters of investment sponsors, or the sites of investment projects to refine its understanding of sponsors, investments, and the investment environment. Additionally, Adaptation Financial may obtain information from websites. Product information and due diligence research are also provided by Royal Alliance Associates, Inc.

Investment Strategies

The investment strategies Adaptation Financial uses to implement any investment advice given to clients includes the following:

- Long term Purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Option writing, including covered options, uncovered options or spreading strategies

Investment Strategy Risks

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Our investment approach seeks to keep the risk of loss in mind. Investors face the following investment risks:

General Risks

Lack of Diversification: Portfolio investments may be concentrated, and diversification may be limited. There are no limits with respect to position sizes. Any assets or combination of assets that can be held in a securities account can be purchased or sold.

Cash and Cash Equivalents: Accounts may maintain significant cash positions from time to time and the client will pay the Investment Management Fee based on the net asset value of the Account, including cash and cash equivalents. Furthermore, the Account may forego investment opportunities to hold cash positions if we consider it in the best interests of the Accounts.

Interest Rate Fluctuation: The prices of securities in which the Advisor may invest are sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

Long term Purchases (securities held at least a year)

Liquidity: The portfolio may be invested in liquid and illiquid securities. You should be aware that liquid securities may become less liquid during the holding period.

Short term purchases (securities sold within a year)

Market Risks: The success of a significant portion of the program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline, including due to other market participants developing similar programs or techniques.

Trading (securities sold within 30 days)

Market Risks: The success of a significant portion of a trading program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline for many reasons, including other market participants developing similar programs or techniques.

Trading is Speculative: There are risks are involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

Turnover: Our trading activities may be made on the basis of short-term market considerations. The portfolio turnover rate could be significant, potentially involving substantial brokerage commissions, and related transactional fees and expenses.

Utilization of Alternative Investments

Alternative investment products, including hedge funds, commodity hedged accounts and managed futures, involve a high degree of risk, often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

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 your evaluation of Adaptation Financial or the integrity of Adaptation Financials management. Adaptation Financial has no information which is applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliated Law Firm

Kevin V. Cox, CEO of Adaptation Financial, is the sole attorney for Kevin V. Cox, PLLC (hereinafter referred to as “Law Office”), an Oklahoma Professional Limited Liability Company and an outside business activity away from Adaptation Financial. The Law Office does not generally provide legal services to clients of Adaptation Financial, and as such, the conflicts of interest between Adaptation Financial, its associates, and Adaptation Financials clients are mitigated. Notwithstanding that, to the extent a client of Adaptation Financial engages the Law Office, any conflicts of interest will be mitigated through disclosure at the time of the engagement of the Law Office by a client.

Registered Representative of a Broker-Dealer

Advisory Representatives of Adaptation Financial are associated with Royal Alliance Associates, Inc. (“Royal Alliance”) as Registered Representatives. Royal Alliance is a diversified financial services company registered with the SEC and a member firm of the Financial Industry Regulatory Authority (“FINRA”) as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by Royal Alliance. If you purchase these products through them, they will receive normal commissions, which may be in addition to customary advisory fees. As such, they may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Although our Advisory Representatives’ security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives they have to sell certain securities products and are encouraged to ask them about any conflict presented.

Insurance Agent

Investment advisor representatives of Adaptation Financial may recommend insurance products offered through Royal Alliance. You can work with your investment adviser representative in his or her separate capacity as an insurance agent. If you purchase insurance products through our investment advisor representative acting in his or her capacity as an insurance agent, they will receive normal commissions which will be in addition to customary advisory fees. Clients are under no obligation to act upon any recommendations or purchase any insurance products through our investment advisor representatives. Insurance products that generate a commission are not included in assets under management by Adaptation Financial.

Recommendations or Selections of Other Investment Advisers

Adaptation Financial recommends clients to other investment advisers to manage their accounts. This situation creates a conflict of interest. However, when recommending clients to another investment adviser, the client's best interest and suitability of the other investment advisers will be the main determining factors of Adaptation Financial. We do not share in the advisory fee with these other investment advisers, but are compensated by the client, separately from the other adviser. This relationship is disclosed to the client at the commencement of the advisory relationship. You are not obligated, contractually or otherwise, to use the services of any other investment advisers we recommend. Additionally, we will only recommend another investment adviser who is properly licensed or registered as an investment adviser.

Adaptation Financial has a third- party relationship with Buckingham Strategic Partners, LLC, an unaffiliated, SEC registered investment advisor ("Buckingham Strategic Partners").

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

General

Adaptation Financial has adopted a Code of Ethics for all of our supervised persons describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Adaptation Financial must acknowledge the terms of the Code of Ethics annually, or as amended.

Subject to satisfying this policy and applicable laws, officers, directors and employees of Adaptation Financial and its affiliates are allowed to trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Adaptation Financial will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code of Ethics requires pre-clearance of many transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Adaptation Financial and its clients.

Personal Trading

Adaptation Financial and our related persons are allowed to purchase and sell securities for their own account. To prevent conflicts of interest, all employees of Adaptation Financial must comply with our Code of Ethics, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.,

Certain affiliated accounts are allowed to trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order.

Adaptation financials clients or prospective clients may request a copy of our Code of Ethics by contacting Kevin V. Cox.

Insider Information

Further, the Code of Ethics and our Compliance Manual impose certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer, partner, or supervised person of Adaptation Financial.

Item 12 – Brokerage Practices

General

Adaptation Financial utilizes Royal Alliance, in its capacity as a broker-dealer, for the execution of securities transactions. Royal Alliance clears its securities transactions on a fully disclosed basis, and provides custody services through Pershing, LLC (“Pershing”) and National Financial Services (“NFS”). Pershing and NFS provide custody services to certain advisory clients of Adaptation Financial, and are collectively referred to herein as “Custodians”.

Adaptation Financial has a third-party advisor relationship with Buckingham Strategic Partners, an investment adviser registered with the Securities and Exchange Commission. Trade execution and custody of the portfolio assets managed by Buckingham Strategic Partners’ are handled by broker-dealers directed by Buckingham Strategic Partners, they being Pershing Advisor Solutions LLC, Fidelity Brokerage Services LLC, Charles Schwab & Company, Inc., or TD Ameritrade Institutional. For more information regarding trade execution process and custody of portfolio assets by Buckingham Strategic Partners, see Item 12 of the Form ADV Part 2A for Buckingham Strategic Partners.

Best Execution

As a fiduciary, Adaptation Financial must seek best execution for client transactions, which includes consideration of a client’s total costs or proceeds and the quality of broker-dealer services. Ultimately the determinative factor in our best execution analysis is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution for the managed account.

To address its best execution obligation, Adaptation Financial (i) maintains best execution policies and procedures designed to address our current business; (ii) monitors qualitative factors related to our Custodians, including execution capability, financial responsibility and responsiveness the execution performance; and (iii) conducts ongoing due diligence of the Custodians execution to verify that that prices received were favorable under prevailing market conditions.

Additionally, with respect to mutual funds, the duty to seek the most favorable terms reasonably available under the circumstances gives rise to the recognition by Adaptation Financial that the management of overall investment expenses requires a balance between choosing the most appropriate share class investment for a client portfolio that offers no loads, transaction fees or commissions and using a vehicle with a low annual expense ratio. However, in managing the client portfolio assets, Adaptation Financial will balance the benefits of investing in mutual funds that are considered “*no-load, no transaction fee*” at the Custodian, as opposed to using a fund with a transaction fee or commission, but which carries a much lower annual operating expense ratio.

Trade Aggregation

When Adaptation Financial trades the same security in more than one client account at the same custodian, we generally attempt to batch or bunch the trades in order to create a block transaction. Generally, buying and selling in blocks helps create trading efficiencies, prompt attention and desired price execution. Whenever possible, we will attempt to batch or aggregate trades for clients who use the same directed brokers in order to create a “*block transaction.*” The commission amount and per share commission rate will differ between our clients with directed brokerage relationships due to the dollar value and the size (number of shares) of the trade for each account, and the total relationship between the client and their broker. Because each client differs in portfolio size, investment objective, equity exposure and the extent of the relationship with their broker, we do not negotiate commission discounts on the block transaction itself.

Notwithstanding the above, we are not required to bunch orders if we determine that it would be consistent with its fiduciary duties not to do so, or if portfolio management decisions are not made together.

Soft Dollar Arrangements

Our Custodians make available to us products and services that benefit us but may not directly benefit our client’s accounts. Some of these products and services assist us in managing and administering clients’ accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of our fees from its clients’ accounts; and assist with back-office functions, recordkeeping and client reporting.

As a fiduciary, we endeavor to act in its clients’ best interests. While we recommend that clients maintain their assets in accounts at the Custodians, that recommendation is based in part on the benefit to us of the availability of some of the foregoing products and services, and not solely on the nature, cost or quality of custody and brokerage services provided by Custodians, which creates

a potential conflict of interest. We mitigate that conflict of interest through disclosures made in this Brochure, client agreements, and in reports and conversations with clients.

Item 13 – Review of Accounts

Account Review

Kevin V. Cox or his designee will review all accounts on a quarterly basis and compare each investment on a transaction basis to insure that each transaction is: (i) suitable to the respective client's investment objectives; (ii) meets that client's quality standards; and (iii) to make sure that their investment objectives are still pertinent to the managed account arrangement. More frequent reviews can be triggered by material changes in variables such as the client's individual circumstances or the market economic or political environment.

Reports

The clients receive core account statements monthly and receive a brokerage link account statement quarterly from the custodian of the account. Clients should also refer to the VISION2020 Wealth Management Firm Brochure or Wrap Fee Program Brochure for additional information regarding the reviews and reports provided on those advisory platforms.

Trade Errors

Adaptation Financial seeks to effect transactions correctly, promptly and in the best interests of clients; however, the Firm is not responsible for execution or trading errors committed by the brokers with which it transacts. In the event an error occurs in our handling of client transactions, we seek to identify and correct any errors as promptly as possible without disadvantaging the client. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the client.

Item 14 – Client Referrals and Other Compensation

Client Referrals

Adaptation Financial does not utilize or pay third party solicitors for the referral of advisory clients to us.

Compensation to Advisory Representatives

Advisory Fees

A portion of the advisory fees payable to us in connection with your account is allocated on an ongoing basis to your advisory representative. The rate of compensation we pay financial advisors with respect to advisory services may be higher than the rate they can earn with respect to transaction-based brokerage accounts. Your advisory representative may therefore have a financial incentive to recommend advisory services set forth in this Brochure instead of the brokerage services of the broker-dealer they are affiliated with.

Finally, if you elect to utilize the advisory services described in this Brochure, your financial advisor may agree to charge a fee less than the maximum fee stated above. The amount of the fee you pay is a factor we use in calculating the compensation we pay your financial advisor. Therefore, your financial advisors may have a financial incentive not to reduce fees.

Other Compensation

When providing financial planning or consulting services, your advisory representative may recommend that you purchase certain securities or insurance products. If this occurs, your advisory representative is doing so as a registered representative of a broker-dealer or as a licensed insurance agent. The advisory representative will receive compensation in the form of commissions if you act on these recommendations. You are never under any obligation to purchase products or services recommended by us. You always have the option of purchasing them through other brokers or agents who are not affiliated with us.

Item 15 – Custody

Custody Overview

General

Adaptation Financial does not maintain physical custody of client assets. Rather, all client cash and securities that are managed by us are held by the Custodians.

Custody Rule

The Custody Rule provides that it is a fraudulent, deceptive or manipulative act, practice or course of business within the meaning of Section 206(4) of the Advisers Act for an investment adviser that is registered or required to be registered under the Advisers Act to have custody of client funds or securities unless they are maintained in accordance with the requirements of the rule. In this regard, where an investment adviser has custody of client funds or securities, it must obtain a surprise examination of client assets by an independent public accountant registered with the Public Company Accounting Oversight Board.

Invoicing

Adaptation Financial is deemed to have custody of the funds and securities as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee. However, a surprise examination is not required because Adaptation Financial has written authorization from each client to deduct advisory fees from the account held with the qualified custodian and each time a fee is directly deducted from a client account: (i) we send the Custodian an invoice or statement of the amount of the fee to be deducted from the client's account; (ii) the Custodian provides the client with a statement reflecting the fee; and (iii) we provide written documentation reasonably supporting the determination of the investment advisor fees upon request.

Item 16 – Investment Discretion

Discretionary Management

Documentation of Discretion

Discretionary authority is provided in our contract with each client. Additionally, we maintain a Limited Power of Attorney for all our discretionary accounts for the purpose of directing and or effecting investments, for the direct payment of fees and or the payment of commissions, custodial fees and or other charges incurred by the managed account.

Discretionary Management

In all cases, however, such our discretion is to be exercised in a manner consistent with the stated investment objectives for the particular account. Thus, when selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients for which it advises. Additionally, in many cases, the discretion is subject to mutually agreed upon investment guidelines relative to the client's portfolio. Investment guidelines and restrictions must be provided to Adaptation Financial in writing.

Non-discretionary Management

With respect to our non-discretionary services, the client makes the ultimate decision regarding the clients' portfolio investment holdings, including the purchase and or sale of those investments.

Item 17 – Voting Client Securities

As a matter of our policy and practice, Adaptation Financial does not have any authority to, and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Item 18 – Financial Information

We are required to provide you with certain financial information or disclosures about financial condition which would impede our ability to provide the advisory services described herein. Adaptation Financial has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

This Item 19 is not applicable to investment advisers registered with the SEC.

Item 20 – Other Information

Privacy Notice to Customers

At Adaptation Financial, we do not disclose nonpublic personal information about our individual clients or former clients except as permitted by law. We restrict access to nonpublic personal information about you (that we may obtain from your account and your transactions) to those employees who need to know that information to provide products or services to you or to alert you to new, enhanced or improved products or services we provide. We maintain physical, electronic and procedural safeguards that comply with federal standards to safeguard your nonpublic personal information.

Business Continuity Plan

Adaptation Financial has developed a Business Continuity Plan to address how we will respond to events that may disrupt its business. Since timing and impact of disasters is unpredictable, we will have to be flexible in responding to the events as they occur. This plan is designed to permit us to resume operations as quickly as possible, given the scope and severity of the significant business disruption. The Business Continuity Plan covers data backup and recovery, mission critical systems financial and operational assessments, alternative communications, alternate business locations, bank and counter-party impact, regulatory reporting and the assurance of prompt access to funds and securities for our customers.

Varying Disruptions – Significant business disruptions can vary in their scope, such as emergencies affecting only a single building housing Adaptation Financial, the business district where we are located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only us or a building housing us, we will transfer our operations to an emergency-ready local site, moving a select group of trained employees and expecting to recover and resume business within four hours. In a disruption affecting our business district, city, or region, we will move appropriate staff to a site outside of the affected area to be able to communicate with Schwab or Royal Alliance on behalf of our clients. In either situation, we plan to continue in business, transferring operations to our clearing firm, if necessary.

If you have questions about our Business Continuity Plan, please feel free to contact us.