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**Form ADV Part 2A – Firm Brochure**

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Dated August 25, 2021

This brochure provides information about the qualifications and business practices of ClearLogic Financial, Inc. If you have any questions about the contents of this brochure, please contact us at 703-476-3521. 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 ClearLogic Financial, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for ClearLogic Financial, Inc. is 133114.

ClearLogic Financial, Inc. 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

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Since the last filing, dated March 20, 2021, there have been no material changes.

# Item 3: Table of Contents

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## Item 4: Advisory Business

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Ticknor Atherton & Associates' registration was granted by the U.S. Securities and Exchange Commission on October 29, 2004. The name of the firm was changed to ClearLogic Financial, Inc. in January 2015. Samuel Mark Atherton (CRD Number 4706300) is President and owns 100% of the equity of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries who have any ownership interest in the firm. The firm manages each client's portfolio on an individualized basis. Clients may impose restrictions on their accounts. As of December 31, 2020, the firm managed assets on a discretionary basis in the amount of \$328,044,142 and on a non-discretionary basis in the amount of \$48,843,613.

Adviser provides clients with continuous financial planning, investment advisory and account monitoring services on a fee-only basis. Adviser designs individualized financial plans for clients and develops investment strategies to meet client goals. Adviser sends clients quarterly reports detailing portfolio performance. Adviser meets with clients, in person or by telephone, as often as they require. A significant portion of the firm's efforts are related to "non-securities advice", such as issues involving expense budgeting, tax planning, education funding, insurance, charitable and estate planning, among others.

The Adviser develops a written **Investment Policy Statement** for each client, based on the client's risk tolerance, investment return objectives, investment time horizon, income requirements and other factors. The Investment Policy Statement, which is reviewed and approved by the client, describes a target investment portfolio for the client where assets are usually divided among equity, fixed income, and alternative investments. Adviser will typically recommend investments in mutual funds and exchange traded funds. The Statement further identifies investment asset classes within these broad categories, such as short and intermediate-term U.S. and global bonds, U.S. large and small company growth and value stocks, international large company and small company growth and value stocks, commodity futures, and money market securities.

### Wrap Fee Programs

We do not participate in wrap fee programs.

## Item 5: Fees and Compensation

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Fees charged may be assessed according to different methods, including:

1. fixed fees **not** computed on the basis of size of the client's assets
2. fees which are computed on the basis of assets under management

Each client's situation is unique, and the time required to address concerns will vary. Fees charged are negotiable. All fees are fully disclosed and agreed prior to the signing of the Advisory Agreement. Accounts in the same household may be grouped for billing purposes and a client may direct ClearLogic to bill one account for fees for all or some of the accounts in the group.

The basic annual fee for asset management services is calculated on the value of supervised assets, based on market value as stated in the account's latest quarterly statement as well as accrued interest on bonds. When client contributions or withdrawals ("capital flow(s)") occur, we will prorate the capital flow in or out of the account. Capital flow of less than \$50,000 will not be considered in the prorating of fees. Fees are paid quarterly, in arrears. Advisory fees are directly debited from client accounts, or the client may choose to pay by check. Upon inception, the fee on a new account will be prorated. In the event of account termination during the billing period, the fee will be prorated. Fees are not charged on assets such as real estate, personal businesses, partnerships, pension funds over which the client has no control, or any other holdings that the client lists to provide Adviser with a better understanding of the client's financial situation, but that are not to be considered under the Adviser's supervision.

The annual fee on supervised investment portfolios is calculated on a sliding scale, as follows and is generally not negotiable:

1.00% per year for the first \$1 million of assets

0.75% per year for \$1 million to \$2 million of assets

0.50% per year for the assets above \$2 million

The minimum annual fee on supervised portfolios is generally \$7,500 per year, billed at the quarterly rate of \$1,875.

These portfolio supervision fees also include continuous advice on non-investment, personal financial planning questions or concerns.

## **Other Types of Fees and Expenses**

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as 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 fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. For example, an expense ratio of 0.25 means that the mutual fund company charges 0.25% for their services. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Performance figures quoted by mutual fund companies in various publications are after their operating expense fees have been deducted.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

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

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Fees are not based on a share of the capital gains or capital appreciation of the managed securities.

## Item 7: Types of Clients

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Individuals, pension plans, profit sharing plans, trusts, corporations and other business entities. We do not have a minimum account size requirement; however, we do have a minimum fee of \$7,500 per year. We reserve the right to waive the minimum fee at our discretion.

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

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Adviser employs a "strategic asset allocation" approach to portfolio management that is based on the principles of Modern Portfolio Theory and other research. We believe markets are relatively "efficient," and that investors' returns are determined principally by asset allocation decisions, not market timing or stock picking. Hence, Adviser **does not** forecast business cycles or interest rates, or shift allocations between stocks and bonds in response to market timing decisions. We maintain a strategic allocation and only infrequently revise that target allocation. We periodically rebalance to the target allocation, while considering the impact of taxes and transaction costs.

We typically recommend no-load, low cost, tax-efficient mutual funds in an effort to minimize expenses and negative tax consequences. We believe that investing in a well-diversified portfolio with low expenses and high tax efficiency is the best way to achieve the client's goals.

Adviser has access to institutional, "no load" funds from Dimensional Fund Advisors (DFA) that are not available to the individual investor and adviser uses many of these funds to build client portfolios. Investment portfolios range in risk and return characteristics from "conservative" to "aggressive," depending on the needs and objectives of the client. Fixed Income securities function to mute volatility in our Portfolios. Fixed Income Portfolios stress risk control and emphasize high-quality, short and intermediate-term fixed income securities. Adviser will make no attempt to time any market and investors should expect to remain fully invested in their selected asset allocation plan at all times.

While we believe our strategies and investment selection are designed to produce the highest possible return for a given level of risk, we cannot guarantee that an investment objective or planning goal will be achieved. Some investment decisions made by the firm and/or client may result in loss, which may include loss of the original principal invested.

## Material Risks Involved

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

**IRA Rollover Considerations:** 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. Additionally, the investment options available to you in your employer's retirement plan may be lower cost than our services. 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.

## Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are 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. The longer the time to a bond's maturity, the greater its interest rate risk.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

## Item 9: Disciplinary Information

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Neither ClearLogic Financial, Inc. nor any of its associated personnel have been the subject of any legal or disciplinary events pursuant to the Investment Advisors Act.

## Item 10: Other Financial Industry Activities and Affiliations

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No ClearLogic employee is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

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

ClearLogic only receives compensation directly from clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

### Recommendations or Selections of Other Investment Advisers

ClearLogic does not recommend or select other investment advisers for its clients but does have a business relationship with another adviser. As a fiduciary, ClearLogic Financial, Inc. has certain legal obligations, including the obligation to act in clients' best interest. ClearLogic Financial, Inc. maintains a Business Continuity and Succession Plan and seeks to avoid a disruption of service to clients in the event of an unforeseen loss of key personnel, due to disability or death. To that end, ClearLogic Financial, Inc. has



entered into a succession agreement with Buckingham Strategic Wealth, LLC, effective August 24, 2018. ClearLogic Financial, Inc. can provide additional information to any current or prospective client upon request to Samuel Mark Atherton, President at (703) 476-3521 Ext. 1 or mark@clearlogicfinancial.com.

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

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The firm has adopted a written Code of Ethics in compliance with SEC Rule 204A-1. The code sets forth standards of conduct and requires compliance with federal securities laws. Our code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

It is further noted that Adviser is in and shall continue to be in total compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Adviser has adopted a firm wide policy statement outlining insider trading compliance by employees. This statement has been distributed to all associated persons and other employees of Adviser and has been signed and dated by each such person. A copy of such firm wide policy is left with such person and the original is maintained in a master file. Further, Adviser has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of Adviser, are signed, dated, and filed with the insider trading compliance materials.

There are provisions adopted for:

1. restricting access to files
2. providing continuing education;
3. restricting and/or monitoring trading on those securities of which Adviser's employees may have non-public information
4. requiring all of Adviser's employees to conduct their trading through a specified broker or reporting all transactions promptly to Adviser
5. monitoring the securities trading of the firm and its employees and associated persons

Adviser or individuals associated with Adviser may buy or sell securities identical to those recommended to clients for their personal account. It is the expressed policy of Adviser that no person employed by Adviser may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

Adviser or any related person(s) may have an interest or position in a certain security or securities which may also be recommended to a client. As these situations may represent a conflict of interest, Adviser has established the following restrictions to ensure its fiduciary responsibilities:

1. A director, officer or employee of Adviser shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Adviser shall prefer his or her own interest to that of the advisory client.
2. Adviser maintains a list of all securities holdings for itself, and anyone associated with this advisory practice. These holdings are reviewed on a regular basis by Mark Atherton, President.
3. Adviser requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to termination.

## Item 12: Brokerage Practices

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ClearLogic Financial, Inc. (ClearLogic) may recommend that clients establish brokerage accounts with Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer and member of SIPC. They maintain custody of clients' assets and effect trades for their accounts. Although ClearLogic may recommend that clients establish or maintain accounts at Schwab, it is the clients' decision to custody assets with Schwab. ClearLogic is independently owned and operated and is not affiliated with Schwab. Schwab provides ClearLogic Financial, Inc. with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services are not contingent upon ClearLogic committing to Schwab any specific amount of business assets in custody or trading commissions. Schwab's brokerage services include the execution of securities transactions, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. ClearLogic periodically reviews the services that Charles Schwab provides with respect to cost and quality of service vs. other institutions. This allows ClearLogic to ensure and maintain the best execution policy of the firm.

Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Institutional also makes available to ClearLogic Financial, Inc. other products and services that benefit ClearLogic but may not directly benefit its clients' accounts. Many of these products and services may be used to service technology that:

1. provide access to client account data (i.e. trade confirmations and account statements)
2. facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. provide research, pricing and other market data
4. facilitate payment of ClearLogic fees from its clients' accounts
5. assist with back-office functions, recordkeeping and client reporting

Schwab Institutional also offers other services intended to help ClearLogic Financial, Inc. manage and further develop its business enterprise. These services may include:

1. compliance, legal and business consulting
2. publications and conferences on practice management and business succession
3. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to ClearLogic. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of ClearLogic personnel. In evaluating whether to recommend that clients custody their assets at Schwab, ClearLogic may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. ClearLogic does not receive any remuneration from anyone to whom it may introduce clients. However, incentive compensation or referral fees may be paid to staff for generating new client relationships. ClearLogic does not receive any compensation for giving advice to clients other than the fees billed to those clients.

Investment advisers may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. We do not engage in block trading. It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy is to implement all client orders on an individual basis. Therefore, we do not aggregate or “block” client transactions. Considering the types of investments, we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

## Item 13: Review of Accounts

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ClearLogic reviews client accounts at least quarterly by either Mark Atherton, President & CCO, Shawn Steel, Director of Financial Planning, or Stephanie Murphy, Financial Planner, and, if appropriate, rebalances each account to maintain the asset class allocation agreed to in the client's Investment Policy Statement. Decisions to rebalance may be affected by brokerage transaction costs, if any, and tax considerations. Clients are provided with quarterly reports with their quarterly billing statement.

Adviser will prepare a new Investment Policy Statement whenever there are changes in a client's risk tolerance, return objectives, or other factors affecting the management of the account. Adviser will implement changes to the client's investment mix in accordance with the agreed new Investment Policy Statement.

## Item 14: Client Referrals and Other Compensation

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We do not receive any economic benefit, directly or indirectly from any third party for advice rendered to our clients. Nor do we directly or indirectly compensate any person who is not advisory personnel for client referrals.

## Item 15: Custody

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Client funds and securities will be maintained by unaffiliated, qualified custodians (such as Charles Schwab), banks, broker-dealers, mutual fund companies or transfer agents and **not** with or by ClearLogic or any of its associates. Investment account clients are provided with transaction confirmations and summary account statements sent directly from the selected custodian. Typically, these statements are provided on a monthly or quarterly basis, or as transactions occur. Clients will receive reports from the firm that summarize performance of account holdings, and clients are urged to compare account statements received from their custodian (i.e. Charles Schwab) to those reports they receive from ClearLogic Financial, Inc.

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

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

## Item 16: Investment Discretion

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The adviser is provided discretionary authority through the execution by the advisory client of a limited power of attorney.

## Item 17: Voting Client Securities

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ClearLogic Financial, Inc. will not exercise proxy voting over Client securities. The obligation to vote Client proxies shall at all time rest with Client. Client shall in no way be precluded from contacting Adviser for advice or information about a particular proxy vote; however, Adviser shall not be deemed to have proxy voting authority solely as a result of providing such advice to Client. Should Adviser inadvertently receive proxy voting action information for a security held in Client's account, then Adviser will immediately forward such information to Client, but will not take any further action with respect to the voting of such proxy. Upon termination of its Agreement with Client, Adviser shall make a good faith and reasonable attempt to forward any Client proxies received by Adviser on behalf of Client to the forwarding address provided by Client to Adviser. Any information received by Adviser that relates to the voting of clients' proxies shall be maintained by Adviser for a period of five years from the date of receipt, the first two years in the offices of Adviser.

## Item 18: Financial Information

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Due to the nature of the firm's services, an audited balance sheet is not required in this disclosure. ClearLogic Financial, Inc. does not serve as a custodian for client funds or securities and does not require prepayment of fees.