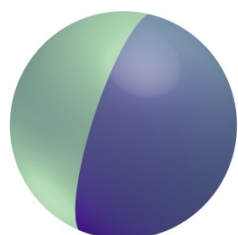


Item 1: Cover Sheet



# MERIDIAN

## Financial Partners

Clarify the path. Enjoy the journey.

### FORM ADV PART 2A: INFORMATIONAL BROCHURE

**Meridian Financial Partners LLC**  
39 South 4<sup>th</sup> Street, Warrenton, VA 20186  
(540)-878-5416, [meridianfinancialpartners.com](http://meridianfinancialpartners.com)  
Sarah Yakel, Chief Compliance Officer

Version – February 6, 2021

*This brochure provides information about the qualifications and business practices of Meridian Financial Partners LLC. If you have any questions about the contents of this brochure, please contact us at (540)-878-5416. 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. Our registration does not imply a certain level of skill or training.*

*Additional information about Meridian Financial Partners LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2: Statement of Material Changes

There are no material changes.

## Item 3: Table of Contents

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INFORMATIONAL BROCHURE  
MERIDIAN FINANCIAL PARTNERS LLC

## Item 4: Advisory Business

Meridian Financial Partners LLC (“Meridian Financial”) has been in business since July, 2015. Sarah Yakel and Nathan Gilbert are the firm’s principal owners. Jointly, they have more than 30 years of financial experience.

Meridian Financial provides personalized asset management and financial planning services. We strive to build lasting relationships and create an exceptional experience that provides clients with individualized attention and a wealth plan tailored to their needs. Our belief is that making clients feel like they are part of the Meridian Financial family fosters a strong working relationship, with an added personal touch. We attempt to help build, maintain, and preserve the assets that clients have worked so hard to accumulate.

### ASSET MANAGEMENT

Our predominant service is asset management. When a client has at least \$250,000 (subject to our discretion to waive this minimum) we will invest their assets in a manner consistent with their investment objectives. To ascertain these objectives, the client experience begins with a thorough orientation process and continues as we attempt to learn about you and your family over the years.

Meridian Financial’s approach to asset management is based on developing and maintaining a strong relationship with each client through regular communication. We want these exchanges to be initiated by both the firm and the client, as needs arise, or even just as communication for the sake of keeping in touch. This is important as Meridian Financial believes successful asset management services can best be provided when there exists a relationship between client and advisor based on mutual trust. That trust is developed over time and maintained through honest and open communication, which is an aspect of our industry Meridian Financial believes, is frequently absent. When advisors and clients only communicate on a superficial level, rather than striving to get to the fundamental drivers of a client’s goals or advisor’s concerns and strategies, clients come away with cluttered, confused ideas as to where they are going and how to get there. Meridian Financial does not expect, nor want clients to simply trust the firm to take care of the investments without significant input from the client. Rather, it is Meridian Financial’s goal to keep clients educated and organized, which we believe puts them in the best position to exercise the ongoing financial discipline required to acquire and maintain wealth. This is why we do not force clients into a specific strategy or product. Instead, we welcome clients to discuss investment preferences or place reasonable restrictions on how we manage their assets. We review each account on its own merits, using the information we have from the client to guide our recommendations.

While Meridian Financial leans toward longer period investments, sometimes asset allocation or underlying security selection needs to change somewhat rapidly in order to protect principal from an

unforeseeable market event, or to allow for various changes in asset class performance to be rebalanced in the client's portfolio. Accordingly, we believe we work best when managing assets on a discretionary basis, which means that within the guidelines of a given client's objectives and restrictions, we will make changes in client portfolios without specific consultation with the client prior to the change. We will in limited circumstances work with clients on a non-discretionary basis, in which case we will contact the client prior to making changes in a portfolio. However, if we are unable to reach a non-discretionary client, the recommended trade will not be made which can compromise the portfolio.

All clients will be required to sign an agreement between the client and Meridian Financial, which outlines the firm's, and the client's responsibilities during the engagement. The agreement will also include a limited power of attorney (which grants Meridian Financial the ability to place trades in a client account, not the ability to execute documents of any kind on your behalf). Client assets will always be maintained with a third party custodian, who will send each client a statement at least quarterly showing the holdings in their portfolio, any transactions made, the costs for those transactions, and any fees debited from their accounts. We encourage clients to thoroughly review those statements and contact Meridian Financial with any questions, concerns, or thoughts.

All clients, but especially those with smaller accounts, should be advised they may receive similar services from other professionals for higher or lower overall costs.

#### FINANCIAL PLANNING

Meridian Financial believes some degree of financial planning is always required in order to manage a client's assets well. The firm will not be able to help a client meet goals if those goals are not well defined, and the rationale behind those goals explained. The financial planning process at Meridian Financial is not necessarily readily distinguishable from the asset management process, in that it continues through the engagement just as asset management does. But at the inception of a relationship, a significant portion of time will be allocated towards information gathering and organizing the client's current circumstances, likely future needs, and aspirations. Separating the client's aspirations from potential realities is done at this stage. Clients will be asked to provide information in the form of documents, such as statements for existing accounts, insurance policies, and tax status. Other background on both income and necessary and desired expenditures is reviewed during discussions with each client. Meridian Financial believes that these discussions are crucial to setting up and maintaining the proper asset allocations for client portfolios, because too often clients focus on a number such as a number they believe they need for retirement, as opposed to a state of affairs, such as maintaining a lifestyle during retirement or other goals. These are not always one and the same, because the number a client believes is the goal is not always the right number to reach their actual goals. Separating the two is most important, and helps clients avoid the ever present noise and focus on what they really want. The planning process must be ongoing, because needs and resources can and do change.

Meridian shall generally provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. inclusive of its advisory fee in Item 5, below. Meridian does not serve as an attorney, accountant or insurance agent, and no portion of our services should be construed as legal, accounting or insurance services. Accordingly, Meridian does not prepare estate planning documents or tax returns, nor does it sell insurance products. If you request, Meridian Financial may recommend the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from Meridian Financial. If you engage any professional recommended by Meridian Financial, you agree to seek recourse exclusively from and against the engaged professional.

In performing our services, Meridian counts on the accuracy of information received by you or from other professionals. Moreover, it is your responsibility to promptly let us know if there are ever any changes in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

#### ASSETS UNDER MANAGEMENT

As of January 2, 2020, Meridian Financial had a total of \$284,174,801 assets under management across 888 discretionary accounts.

## Item 5: Fees and Compensation

### A. Fees Charged

All investment management clients will be required to execute an Investment Management Agreement that will describe the type of management services to be provided and the fees, among other items.

Generally, fees vary from 0.50% to 1.00% per annum of the market value of a client's assets managed by Meridian Financial. The fee range stated is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors. Meridian Financial's fee schedule is as follows:

| <b><i>Assets Under Management</i></b> | <b><i>Annual Rate</i></b> |
|---------------------------------------|---------------------------|
| First \$0-\$5,000,000                 | 1.00%                     |
| Next \$5,000,001 - \$10,000,000       | 0.75%                     |
| Next \$10,000,001 and above           | 0.50%                     |

## B. Fee Payment

Investment advisory fees will be debited directly from each client's account. The advisory fee is paid monthly, in advance, and the value used for the fee calculation is the gross value as of the last market day of the previous month. This means that if your annual fee is 1.00%, then each month we will multiply the value of your account by 1.00% then divide by the number of days in the year times the number of days in the month to calculate your fee. In calculating the market value of a client's assets, assets allocated to cash or a cash proxy, such as a money market account, will be included in the calculation of assets under management. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to Meridian Financial. While almost all of our clients choose to have their fee debited from their account, we will invoice clients upon request.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. The client will receive a statement from their account custodian showing all transactions in their account, including the fee.

## C. Other Fees

There are a number of other fees that can be associated with holding and investing in securities. You will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. Meridian Financial can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Most mutual funds offer different share classes with vary fee structures, including share classes with sales load, sales charges, or 12B-1 fees. 12B-1 fees are deducted from the mutual funds' assets on an ongoing basis, and are paid to broker-dealers and registered representatives whose clients own those shares to cover fund distribution and shareholder services. However, it is Meridian policy that when specific funds offer more than one share class, Meridian will select the lowest-cost share class available to the client, absent circumstances that dictate otherwise.

Additionally, as assets are transitioned from a client's prior advisors to Meridian, clients may hold legacy securities and may place restrictions on individual security types. Legacy securities are those that a client owned prior to or separate from its Meridian portfolio. If a client transitions mutual fund shares to Meridian that are not the lowest-cost share class, and Meridian is not recommending disposing of the security altogether, Meridian will attempt to convert such mutual fund share classes into the lowest-cost share classes the client is eligible for, taking into account any adverse tax consequences associated with such conversion.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

D. *Pro-rata Fees*

If you become a client during a month, you will pay a management fee for the number of days left in that month. If you terminate our relationship during a month, you will be entitled to a refund of any management fees for the remainder of the month. Once your notice of termination is received, we will refund the unearned fees to you in whatever way you direct (check, wire back to your account). Meridian Financial will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be “de-linked”, meaning they will no longer be visible to Meridian Financial and will become a retail account with the custodian.

E. Compensation for the Sale of Securities.

This item is not applicable.

## Item 6: Performance-Based Fees

Meridian Financial will not charge performance based fees.

## Item 7: Types of Clients

Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations. Meridian Financial requires each client to place at least \$250,000 with the firm. This minimum may be waived in the discretion of Meridian Financial.

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

It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

As each client comes to Meridian Financial, we assist in developing a plan to transition to Meridian Financial’s approach. Not all transitions can happen quickly as it may be advantageous for certain existing investments to be held for a period of time for tax or other reasons. Meridian Financial’s investment selection process focuses on the idea that asset allocation, meaning the selection of asset classes as opposed to specific securities, is the predominant driver of performance. Using our own research, research made available to us from vendors, custodians or other third parties, what we observe in the markets, news releases and any other publicly available sources at our disposal,



Meridian Financial develops a view of different asset classes and what the anticipated returns from that class are likely to be as a whole in the near, medium and longer terms. Based on this judgement, we allocate client assets to the asset classes we believe will perform for the client's needs. For example, a client whose main goal is asset protection may be allocated more assets to a given asset class than a client with a longer time horizon and greater risk tolerance. This does not mean Meridian Financial does a simple analysis that shorter term investors go into bonds and longer term investors to equities. Rather, there may be times when in the near term, traditional corporate bonds or bond funds may not be a safe haven. This is where Meridian Financial strives to add value: in the judgment of how much to each asset class and when.

Once the main asset allocation is determined, specific securities are selected. Meridian Financial reviews each proposed security taking into consideration anticipated performance, current market conditions, liquidity, costs, and where applicable, management.

It is important to remember that because market conditions can vary greatly, asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.

Meridian has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Meridian reviews client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Firm determines that changes to a client's portfolio are neither necessary nor prudent.

Meridian's Investment Committee may utilize research recommendations from an independent third party whose managers demonstrate knowledge and expertise in a particular investment strategy. Meridian does not allocate client asset to these third parties and they are for research information only. As part of Meridian's diligence process, we will examine the experience, expertise, investment philosophies, and past performance of independent third-parties.

#### RISK OF LOSS

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.

- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that Meridian Financial may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. Meridian Financial endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Margin Risk.** "Margin" is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. Meridian Financial may utilize margin on a limited basis for clients with higher risk tolerances.
- **Short Sales.** "Short sales" are a way to implement a trade in a security Meridian Financial feels is overvalued. In a "long" trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor's loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. Meridian Financial utilizes short sales only when the client's risk tolerances permit.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its

perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.

- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.

- **Concentration Risk.** While Meridian Financial selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.

- **Transition risk.** As assets are transitioned from a client's prior advisers to Meridian Financial there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by Meridian Financial. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of Meridian Financial may adversely affect the client's account values, as Meridian Financial's recommendations may not be able to be fully implemented.

- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.

- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

- **REITs.** Meridian Financial may recommend that significant portions of client portfolios be allocated to real estate investment trusts, otherwise known as "REITs". A REIT is an entity, typically a trust or

corporation that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful, but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.

- **MLPs.** Meridian Financial may recommend that significant portions of client portfolios be allocated to master limited partnerships, otherwise known as “MLPs”. An MLP is a publicly traded entity that is designed to provide tax benefits for the investor. In order to preserve these benefits, the MLP must derive most, if not all, of its income from real estate, natural resources and commodities. While MLPs may add diversification and tax favored treatment to a client’s portfolio, they also carry significant risks beyond more traditional investments such as stocks, bonds and mutual funds. One such risk is management risk-the success of the MLP is dependent upon the manager’s experience and judgment in selecting investments for the MLP. Another risk is the governance structure, which means the rules under which the entity is run. The investors are the limited partners of the MLP, with an affiliate of the manager typically the general partner. This means the manager has all of the control in running the entity, as opposed to an equity investment where shareholders vote on such matters as board composition. There is also a significant amount of risk with the underlying real estate, resources or commodities investments. Clients should ask Meridian Financial any questions regarding the role of MLPs in their portfolio.

- **Excess Cash Balance Risk.** Client accounts may have cash balances in excess of \$250,000, which is the insurance limit of the Federal Deposit Insurance Corporation. For cash balances in excess of that amount, there is an enhanced risk that operation related counterparty risk related to the account custodian could cause losses in the account. We mitigate this risk by carrying cash balances in amounts either subject to protection or as limited as you, the client, directs. You may elect to participate in a “cash sweep” program through your account custodian which automatically moves excess cash from your investment account into a cash account and then invests that cash into cash based investments, such as money market funds. We do not receive compensation of any kinds for facilitating your participation in such cash sweep accounts.

## Item 9: Disciplinary Information

There are no disciplinary items to report.

## Item 10: Other Financial Industry Activities and Affiliations

### A. Broker-dealer

Neither the principal of Meridian Financial, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

### B. Futures Commission Merchant/Commodity Trading Advisor

Neither the principal of Meridian Financial, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### C. Relationship with Related Persons

This item is not applicable.

### D. Recommendations of Other Advisers

Meridian Financial does not utilize nor select other advisers or third party managers. All assets are managed by Meridian Financial.

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

A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. Not applicable. Meridian Financial does not recommend to clients that they invest in any security in which Meridian Financial or any principal thereof has any financial interest.

C. On occasion, an employee of Meridian Financial may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of Meridian Financial may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

## Item 12: Brokerage Practices

### A. Recommendation of Broker-Dealer

Meridian Financial does not maintain custody of client assets, though Meridian Financial may be deemed to have custody if a client grants Meridian Financial authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. Meridian Financial recommends that investment accounts be held in custody by Schwab Advisor Services ("Schwab"), which is a qualified custodian. Meridian Financial is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when Meridian Financial instructs them to, which Meridian Financial does in accordance with its agreement with you. While Meridian Financial recommends that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Meridian Financial does not open the account for you, although Meridian Financial may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see "Your brokerage and custody costs").

#### *How we select brokers/custodians*

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to Meridian Financial as part of our evaluation of these broker-dealers.

#### *Your brokerage and custody costs*

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are

deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

#### *Products and services available to us from Schwab*

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like Meridian Financial. They provide Meridian Financial and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help Meridian Financial manage or administer our clients’ accounts, while others help Meridian Financial manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to Meridian Financial. Following is a more detailed description of Schwab’s support services:

#### *Services that benefit you*

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

#### *Services that may not directly benefit you*

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

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients’ accounts
- Assist with back-office functions, recordkeeping, and client reporting

### *Services that generally benefit only us*

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

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

### *Our interest in Schwab's services*

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

We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to Meridian Financial as part of our evaluation of these broker-dealers.

### **B. Aggregating Trades**

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, if a *pro rata* division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)



## Item 13: Review of Accounts

All accounts will be reviewed by a senior professional on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

The annual report in writing provided by Meridian Financial is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from Schwab. Additionally, all clients will receive monthly itemized bills from Meridian Financial. Please refer to Item 15 regarding Custody.

## Item 14: Client Referrals and Other Compensation

### A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.

*Please refer to Item 12, where we discuss recommendation of Broker-Dealers.*

### B. Compensation to Non-Advisory Personnel for Client Referrals.

Meridian does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## Item 15: Custody

There are two avenues through which Meridian has custody of client funds; by directly debiting its fees from client accounts pursuant to applicable agreements granting such right, and potentially by permitting clients to issue standing letters of authorization ("SLOAs"). SLOAs permit a client to issue one document that directs Meridian to make distributions out of the client's account(s).

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. The client will receive a statement from their account custodian showing all transactions in their account, including the fee. We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on your monthly report prepared by Meridian Financial against the information in the statements provided directly from Schwab. Please alert us of any discrepancies.

## Item 16: Investment Discretion

When Meridian Financial is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and Meridian Financial.

When a client engages Meridian Financial to provide investment management services on a non-discretionary basis, the accounts are monitored by Meridian Financial. The difference is that changes to your account will not be made until Meridian Financial has confirmed with you (either verbally or in writing) that the proposed change is acceptable to you.

## Item 17: Voting Client Securities

Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. Meridian Financial will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. Meridian Financial will, upon request, give clients advice on how to vote proxies.

## Item 18: Financial Information

Meridian Financial does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.