

# SEC FORM ADV PARTS 2A & 2B

MARCH 31, 2021



## FIRST FINANCIAL ADVISORY SERVICES, INC.

A REGISTERED INVESTMENT ADVISOR

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This brochure provides information about the qualifications and business practices of First Financial Advisory Services, Inc. If you have any questions about the contents of this brochure, please contact us at (401) 596-0193, on the web at [www.firstfinancialadvisory.com](http://www.firstfinancialadvisory.com) or via email at [mcunningham@1stallied.com](mailto:mcunningham@1stallied.com). 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. In addition, the terms 'registered investment advisor' and 'investment advisor representative' as used in this brochure do not imply a level of skill, but simply proper registration with the appropriate regulatory authorities.

Additional information about First Financial Advisory Services, Inc. is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

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## 2.0 MATERIAL CHANGES

This Item discusses only specific material changes that were made after the prior edition of this Brochure was published on March 28, 2020, and provides clients with a summary description of such changes that have occurred since that time.

The material changes are as follows:

We revised Item 4 to disclose the conflict of interest involved in recommending that a client roll over their retirement plan assets into an account to be managed by FFAS, as well as how we address that conflict of interest. Please see Item 4 for more information.

We revised Item 8 to describe additional material risks involved with trading securities. Please see Item 8 for more information.

We revised Item 10 to describe additional compensation registered representatives receive from the sale of securities products. Please see Item 10 for more information.

We revised Item 18 to indicate that an affiliate applied for and received loans from the Small Business Association under the federally authorized Paycheck Protection Program (PPP) put in place due to the COVID-19 pandemic. For additional information including the nature of our requests for the loans, the amounts received, and the effect of the loans, please see Item 18.

First Financial Advisory Services, Inc ("FFAS") affirms that all clients will receive a summary of any material changes to this Brochure (or subsequent editions) annually within 120 days of the close of our company fiscal year and promptly at any time if any of the information herein becomes materially inaccurate. In addition, we will provide any client with a current Brochure at any time, upon request, without charge.

Currently, our Brochure is available on the SEC's website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)), and may also be requested by contacting Matthew J. Cunningham, Chief Compliance Officer/Secretary, at 401-596-0193 or [mcunningham@1stallied.com](mailto:mcunningham@1stallied.com).

Additional information about FFAS is also available via the SEC's website that is accessed at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with FFAS who are registered, or are required to be registered, as investment advisor representatives of FFAS. You can search this site by a unique identifying number, known as a CRD number. The CRD number for FFAS is 105031. The CRD number for each of our investment adviser representatives is located on his or her respective ADV 2B Brochure Supplement.

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## 4.0 ADVISORY BUSINESS

First Financial Advisory Services, Inc. (FFAS) is a private corporation that provides investment advisory services to individual investors, families, and small businesses. FFAS was established in 1974 by William B. Mason, who served as the principal owner until his retirement in early 2012. At that time, Geraldine B. Cunningham, who joined the company in 1981, became the sole owner. Mrs. Cunningham also serves in the capacity as President and Treasurer of FFAS.

The term “advisor” in this Brochure is used in reference to any representative who provides investment advice on behalf of FFAS. Such individuals are properly registered in all required jurisdictions. Please note the term ‘registered’ does not imply a certain level of skill or training. Each advisor’s qualifications are discussed in detail in **Part 2B** of this brochure.

FFAS uses the term “investment advisory services” in this brochure to describe our activities, which are personalized to each individual client’s self-disclosed needs, and include a range of activities generally associated with:

- a) portfolio management, which we define as the practice of making decisions about investment mix in accord with policy, matching investments to objectives, allocating assets among security types, and weighing risk against performance; and
- b) financial planning, which is defined by the Certified Financial Planner Board of Standards, Inc. (CFP Board) as a collaborative process that helps maximize a Client’s potential for meeting life goals through Financial Advice that integrates relevant elements of the Client’s personal and financial circumstances.

Clients may engage FFAS to provide portfolio management services, financial planning services, or a combination of both. FFAS advisors work with each client during the preliminary consultation phase to a) identify and prioritize their financial objectives, and b) examine and assess their individual tolerance for financial risk within the context of their unique financial situation and given the complexity of our global economy.

FFAS does not participate in wrap fee programs, nor does it publish research reports or sell newsletters. FFAS does work collaboratively with our clients’ accountants and attorneys, when appropriate, to discuss and manage estate planning, generation skipping, and tax efficiency.

### 4.1. PORTFOLIO MANAGEMENT SERVICES

As of December 31, 2020, the total value of our clients’ regulated assets under FFAS management was \$208,627,049. FFAS offers portfolio management services strictly on a non-discretionary basis, which means that an advisor must obtain client consent to a recommended trade before making any transaction in that client’s account. Our investment philosophy focuses on “value” investing, with an eye toward long-term growth.

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Clients are encouraged to fully complete a set of financial questionnaires to help the advisor establish the parameters by which the account will be managed, including the investment objectives of the account, the tolerable amount of risk or loss, if a client has any particular investment restrictions or preferences, and how performance will be measured against a particular benchmark index.

FFAS may recommend that a client roll over their retirement plan assets into an account to be managed by FFAS. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If we recommend that a client roll over their retirement plan assets into an account to be managed by FFAS, such a recommendation creates a conflict of interest as we will earn a new (or increase our current) advisory fee as a result of the rollover. We address this conflict of interest by reviewing any such recommendation to ensure it is in the best interest of the client. No client is under any obligation to roll over retirement plan assets to an account managed by us.

### **4.2. FINANCIAL PLANNING SERVICES**

FFAS offers a variety of customizable financial planning services to clients interested in: planning for education and retirement funding; trying to improve tax efficiency; and strategies to address needs regarding long-term health care, liability protection, charitable inclinations, and estate transfer upon death. Other financial services provided by FFAS include fiscal wellness coaching, navigating interactions with third-parties (e.g., financial institutions, insurance companies, and government agencies), and assisting clients with the management of household economies, financial data, and debt.

The recommendations and solutions FFAS provides relative to financial planning objectives are designed to achieve the client's desired goals, but often require input from the client for success, and also may require revisions to meet changing circumstances. Any financial plan created by an FFAS advisor is based on a client's financial situation as reported to FFAS at the time of the plan creation; the import of such a plan tends to diminish when changes in circumstance are not disclosed. Therefore, FFAS urges clients to relate significant life changes when (or even before) they occur so that our financial planning services can be adjusted accordingly.

### **5.0 FEES & COMPENSATION**

FFAS receives compensation from its clients in consideration for services provided based on one or more of the following fee structures: fee-based (percentage of assets under FFAS management); transaction-based commissions and 12b-1 fees; an hourly rate; or a fixed fee. We do not receive third party referral fees for our investment advisory services.

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### 5.1. FEE-BASED PORTFOLIO MANAGEMENT SERVICES

FFAS provides fee-based portfolio management services to a portion of its clientele. This fee is calculated and billed quarterly in advance, based upon the market value of the assets in the account as of the billing date. The standard annualized rates for fee-based portfolio management services are as follows:

FEE-BASED ACCOUNT ASSETS	ANNUAL FEE
On the amount up to \$500,000	1.50%
On the amount between \$500,000 and \$750,000	1.25%
On the amount between \$750,000 and \$2,000,000	1.00%
On the amount above \$2,000,000	Negotiable

Portfolio management fees may be negotiated based on factors such as the amount of assets under management, the range of investment types, and the relative complexity of financial circumstances, among others. Since this fee is negotiable, the exact fee to be paid will be clearly stated (as a percentage of account assets) in the Advisory Services Agreement between FFAS and the client.

The first portfolio management fee payment is due upon initial funding of the fee-based account, and will be calculated using the opening value of the account. The first payment is prorated accordingly based on the timing of the executed agreement within a given quarter. Subsequent ongoing quarterly advisory fee payments are determined based on the account value(s) as of the last day of the preceding calendar quarter.

The quarterly fee is determined by multiplying the fee-based account values as of the market close on March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup>, and December 31<sup>st</sup> by the annual fee rate, and then by dividing that total by ¼. For example, an account with a value of \$100,000 on March 31<sup>st</sup> would incur a quarterly fee of \$375.00 (see below).

Example: \$100,000	account assets
x 1.50%	annual advisory fee rate (typical)
<u>÷ 4</u>	number of quarters in a year
\$375.00	quarterly fee

The processing of fees is generally handled by the account custodian. The custodian will deduct the fees directly from the account, in accordance with the fee structure. The custodian will provide a statement to the client, at least quarterly, that summarizes activity in all fee-based accounts. Unless otherwise instructed, the custodian will deduct the fees from the related account. However, upon request, the client can arrange to pay fees with a personal check, or to have the payment come from another designated account.

Unless the client makes alternative payment arrangements as noted above, the advisory fee shall be automatically deducted from the account on or around the 15th day of each calendar quarter. Accounts terminated during a calendar quarter will be charged a prorated fee-based on the number of days the agreement was in effect, using the same fee calculation methodology as described above. FFAS will promptly

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refund to the client any prepaid, unearned prorated fees upon termination of the agreement by having the custodian directly credit the client account.

Any fee charged by FFAS for portfolio management services is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by the client relative to activity in non-fee-based accounts held by the client, whether such accounts are under FFAS management or not. Clients are required to pay certain other charges imposed by custodians, brokers, third-party investment managers, and/or other third parties (e.g., 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 each fund's prospectus. Additional information about brokerage services is presented in **Section 12.0** of this Brochure.

Such charges, fees, and/or commissions noted in the preceding paragraph are separate from FFAS quarterly fees, and FFAS shall not receive any portion of these costs. The transaction fees (a.k.a., ticket charges) listed below for fee-based accounts are transaction costs charged by the account custodian, and are not commissions.

TRANSACTION TYPE	FEE-BASED ACCOUNT CHARGE
Equity Trade (listed on the NYSE)	\$14.00 + \$.01/share per trade*
Equity Trade ( <u>not</u> listed on the NYSE)	\$14.00 per trade
Option Trade	\$14.00 + \$1.65/contract per trade
Corporate Bond Trade (listed on the NYSE)	\$30.00 + \$1.00/bond per trade
Corporate Bond Trade ( <u>not</u> listed on the NYSE, a.k.a. OTC)	\$30.00 per trade
Municipal Bond Trade	\$30.00 per trade
Treasury Security Trade	\$35.00 per trade
Agency, Zero, CMO Security Trade	\$35.00 per trade
Money Market Instrument (e.g., CDs, Commercial Paper, etc.) Trade	\$35.00 per trade
Unit Investment Trust Trade	\$25.00 per trade
"No-Load" Mutual Fund Trade	\$20.00 per trade
"Load" Mutual Fund Trade at Net Asset Value (NAV)	\$20.00 per trade
"Load" Mutual Fund Exchanges within Fund Family	\$12.50 round trip
Systematic Contributions & Withdrawals	\$7.50 per event
Custodian Handling Charge	\$7.50 electronic (+\$0.75 for paper)
* an equity trade of more than 10,000 shares of an NYSE-listed security is charged at a rate of \$14.00 + \$.015/share	

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FFAS advisors receive commissions (acting in their separate capacity as registered representatives of a broker/dealer) on some security investments made for clients in non-fee-based accounts, as discussed in **Section 10.0**. The structure of the fees and commissions are outlined and agreed upon in advance in an Advisory Service Agreement between the client and FFAS.

Additionally, FFAS advisors receive Rule 12b-1 shareholder servicing and/or distribution fees from mutual fund sponsors or their affiliates in connection with certain investments in non-fee-based client accounts. The client, like other shareholders of mutual funds, will bear a proportionate share of such fund's advisory, administrative, and Rule 12b-1 fees, as well as the account fees on account assets invested in these fund shares. Other unrelated parties may also receive Rule 12b-1 shareholder servicing and/or distribution fees, as well as other marketing payments from mutual fund sponsors or their affiliates in connection with the investments in the account. Information on specific 12b-1 fees paid by clients is presented in every mutual fund prospectus.

As a fiduciary, each FFAS advisor is committed to holding the client's best interest above all else and consequently must disregard any consideration of personal enrichment when developing suggestions. Be that as it may, accepting compensation for the sale of investment products presents a conflict of interest, as it gives an incentive to make recommendations based on compensation received rather than client needs. This conflict of interest exists particularly whenever a significant difference in compensation results from implementing a specific investment over other investment choices, and/or in determining for which account to actually implement a given suggestion.

FFAS and its advisors mitigate these conflicts by refusing to let anything other than the client's best interest dictate the suggested course of action. Additionally, FFAS has implemented the following strategies to ensure that fees charged to clients are both reasonable and in alignment with industry standards:

- a) FFAS reduces portfolio management fees to zero in cases where the client does not have a fee-based account under FFAS management (in recognition of the adequate compensation already derived from commissions, etc. when transactions occur in the client's non-fee-based accounts).
- b) FFAS advisors discount commissions on non-fee-based account transactions below the level recommended by the broker-dealer/custodian in cases where the client has at least one fee-based account and at least one non-fee-based account under FFAS management.

The client is not obliged under any circumstance to accept any suggestion or engage FFAS to act on a given suggestion, if accepted. Any decision by the client to act directly or indirectly on any suggestion made by FFAS shall be made fully and solely by the client. Clients also have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with FFAS. Account fees and transactions charges may be higher or lower at First Allied than at other broker/dealers offering similar services.



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## 5.2.COMMISSION-BASED FEES

FFAS clients may elect a commission-based, or transactional, fee structure. Commissions are charged only when transactions are effected. The commissions have a minimum per-transaction fee of \$65.00. Commissions are paid directly to advisors. Clients who have at least one fee-based account will receive discounted commission fees on transactions in any non-fee-based accounts. Transactions in commission-based accounts are subject to the Custodian Handling Charge of \$7.50 per transaction, plus \$0.75 per transaction if a paper confirmation is requested. These fees are in addition to commission charges, and are paid directly to the custodian for services rendered.

## 5.3.FINANCIAL PLANNING SERVICES

FFAS provides financial planning services to many of its clients. The amount and method that FFAS charges clients receiving financial planning services is negotiable. In most cases, FFAS advisors will eliminate financial planning service fees for clients with whom FFAS has a concurrent or pre-existing agreement to provide portfolio management services for assets under FFAS management.

The specific fees charged by FFAS to other clients in need of financial planning services depend largely on the type, complexity, and duration of the specific services requested, and are calculated using the following fee schedules:

- a) Fixed Fees: FFAS will charge a fixed fee of up to \$2,500 annually for broad-based financial planning services. In limited circumstances, the total cost could potentially exceed \$2,500. In these cases, we will notify the client in advance and may request that the client pay an additional fee.
- b) Hourly Fees: FFAS charges an hourly fee of \$150 for clients who request specific services (such as a modular plan or hourly consulting services) and do not desire a broad-based financial plan.

Prior to engaging FFAS to provide financial planning services, the client will be required to enter into a written Advisory Services Agreement with our firm. The Agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from the client. Generally, FFAS requires a prepayment of 50% of the fee with the remaining balance due upon completion of the agreed upon services. However, we do not request fees in excess of \$1,200 more than six months in advance of services rendered. Other fee payment arrangements may be negotiated with the client on a case-by-case basis, particularly for clients with an ongoing need for financial services. All such arrangements will be clearly set forth in the Advisory Services Agreement signed by the client and the firm.

Either party may terminate the Advisory Services Agreement by written notice to the other. In the event the client terminates FFAS' financial planning services, the balance of FFAS' unearned fees (if any) for such services will be refunded to the client.

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## 6.0 PERFORMANCE-BASED FEES

We do not engage in charging performance-based fees, and FFAS does not have any arrangements for compensation to its advisors on the basis of a share of the capital gains upon, or the capital appreciation of, the assets, or any portion of the assets, in a client account.

## 7.0 TYPES OF CLIENTS

FFAS provides portfolio management services and financial planning services (or both) to individual investors and families, some with a high net worth. We also provide services to small businesses, corporations and charitable organizations.

The minimum account value needed to open a fee-based brokerage account and receive portfolio management services from FFAS is \$25,000 (this requirement may be waived at FFAS' discretion). There is no minimum account size required to open a commission-based account and receive portfolio management services from FFAS, nor does FFAS impose any other minimum requirements to consider before offering an agreement to provide financial planning services to a client.

FFAS makes the portfolio management and financial planning services described in **Section 0** available to all clients in a variety of combinations that fall under one of the following three categories:

Category I: Clients who have one or more fee-based accounts with FFAS in which the advisor's compensation is based on a fixed percentage of the account assets rather than on the number of trades executed (as is generally the case in a non-fee-based account). These clients may also have non-fee-based accounts under FFAS management.

Category II: Clients who do not have a fee-based brokerage account with FFAS, but who do have one or more of the following investment structures with an FFAS advisor in which the advisor's compensation is derived from trade commissions, 12b-1 fees, or trailing commissions on investment products: (a) a non-fee-based account, (b) a directly-held mutual fund account, (c) an annuity, and/or (d) an alternative investment (e.g., a non-traded real estate investment trust).

Category III: Clients who do not have any accounts for which an FFAS advisor is identified as the financial representative or agent of record, but who seek advisory and financial services from FFAS. Accordingly, FFAS does not have authority to initiate or complete trades, assist with cash flow, or report portfolio data for such accounts as may be held otherwise or elsewhere by the client. FFAS charges a flat quarterly fee in advance to provide portfolio management and/or and financial services to these clients on an ongoing basis.

## 8.0 METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

As noted in **Section 4.0**, FFAS advisors work with each client during the preliminary consultation phase to a) identify and prioritize their financial objectives, and b) examine and assess their individual tolerance for financial risk within the context of their unique financial situation and given the complexity of the global economy.

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When formulating investment recommendations, FFAS advisors first consider the client-provided parameters that outline goals and expectations specific to each account. The recommendations made by FFAS advisors are founded upon a solid understanding of each client's unique circumstances and goals, combined with relevant market data. Further, clients are encouraged to fully complete a set of financial questionnaires to help the advisor compose an Investment Policy Statement (IPS). The IPS is a "living" document that establishes the parameters by which the account will be managed, including the investment objectives of the account, the tolerable amount of risk or loss, the time horizon, and how performance will be measured against a particular benchmark index. If a client has any particular investment restrictions or preferences, they will be incorporated into the IPS.

FFAS' investment philosophy is based primarily on long-term investment strategies incorporating the principles of Modern Portfolio Theory for value investing. This investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or selection of specific securities. FFAS constructs diversified portfolios, principally through the use of a blended (strategic/tactical) management style. FFAS recommends a mix of equities (common and preferred); bonds (corporate, municipal, and federal); investment company funds (mutual, exchange-trade, and closed-end); and certificates of deposit to implement this investment strategy. When appropriate, FFAS advisors may also recommend investments in annuities (fixed and variable), covered options, and/or private trusts or partnerships, such as those with underlying investments in real estate, business development corporations, energy interests, and/or equipment leasing.

Although all investments involve risk, FFAS seeks to mitigate risk through broad diversification among asset classes. FFAS utilizes a broad range of investment vehicles to diversify client portfolios. FFAS designs portfolios tailored to the needs of each investor, managing risk and reward based on the client's stated objectives and tolerance for risk. Once initial asset allocations are made, the FFAS advisor then periodically reviews the account, communicates meaningful information with the client as it arises, and suggests rebalancing the account as necessary to maintain adherence to the client's objectives.

FFAS may also incorporate fundamental analysis when evaluating investment choices. The Fundamental method attempts to measure the intrinsic value of a security by looking at economic and financial factors to determine if an investment is underpriced, offering a good time to buy, or overpriced, indicating a good time to sell. The factors examined include the overall economy, industry conditions, and the financial condition and management of the companies themselves. This technique attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

The risks associated with fundamental analysis include a vulnerability to incorrect data reported by companies; inaccurate assumptions regarding future growth and/or interest rates; an overreliance on historical data; and poor timing with relation to the market. If prices of securities adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance. The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

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Here are some additional risks of investing you should be aware of:

- **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.** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Interest Rate Risk.** Movements in interest rates may directly cause prices of fixed income securities fluctuate. For example, rising interest rates can cause "high quality, relatively safe" fixed income investments to lose principal value.
- **Credit Risk.** If debt obligations held by an account are downgraded by ratings agencies or go into default, or if management action, legislation or other government action reduces the ability of issuers to pay principal and interest when due, the value of those obligations may decline, and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly "junk" or "high yield" bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher-rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, to ratings downgrades, and to liquidity risk.
- **Purchasing Power Risk.** Purchasing power risk is the risk that an 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. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash. For example, Treasury Bills are highly liquid, while real estate properties are not. Some securities are highly liquid while others are highly illiquid. Illiquid investments carry more risk because it can be difficult to sell them.
- **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.
- **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.
- **Risks Related to Investment Term.** If the client requires a liquidation of their portfolio during a period in which the price of the security is low, the client will not realize as much value as they would have had the investment had the opportunity to regain its value, as investments frequently do, or had it been able to be reinvested in another security.
- **Business Risk.** Many investments contain interests in operating businesses. Business risks are risks associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a

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profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Financial Risk.** Many investments contain interests in operating businesses. Excessive borrowing to finance a business' operations decreases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **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.
- **Large-Cap Stock Risk.** Investment strategies focusing on large-cap companies may underperform other equity investment strategies as large cap companies may not experience sustained periods of growth in the mature product markets in which they operate.
- **Small/Mid-Cap Stock Risk.** Investment strategies focusing on small- and mid-cap stocks involve more risk than strategies focused on larger more established companies because small- and mid-cap companies may have smaller revenue, narrower product lines, less management depth, small market share, fewer financial resources and less competitive strength.
- **Fixed-Income Market Risk.** Economic and other market developments can adversely affect fixed-income securities markets in Canada, the United States, Europe and elsewhere. At times, participants in debt securities markets may develop concerns about the ability of certain issuers to make timely principal and interest payments, or they may develop concerns about the ability of financial institutions that make markets in certain debt securities to facilitate an orderly market which may cause increased volatility in those debt securities and/or markets.
- **Risks of Investment in Futures, Options and Derivatives.** Such strategies present unique risks. For example, should interest or exchange rates or the prices of securities or financial indices move in an unexpected manner, the Firm may not achieve the desired benefits of the futures, options and derivatives or may realize losses. Thus, the client would be in a worse position than if such strategies had not been used. In addition, the correlation between movements in the price of the securities and securities hedged or used for cover will not be perfect and could produce unanticipated losses.
- **ETF Risk.** The returns from the types of securities in which an ETF invests may underperform returns from the various general securities markets or different asset classes. The securities in the underlying indexes (the "Underlying Indexes") may underperform fixed-income investments and stock market investments that track other markets, segments and sectors. Different types of securities tend to go through cycles of out-performance and underperformance in comparison to the general securities markets.

FFAS advisors subscribe to, and at times incorporate, industry-related research and/or recommendations when making investment recommendations. A mix of sources such as Morningstar, Navellier, and Valueline are utilized, among others.

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Regardless of how any one portfolio is constructed, each advisor maintains periodic communications with clients to determine whether there have been any significant changes in circumstances and/or financial needs. On a periodic basis, FFAS monitors whether the client account holdings remain consistent with the client investment objectives and requirements. Moreover, FFAS recognizes that the successful management of any portfolio is a collaborative process between our firm and each client, and believes that the best way to ensure forward progress is to establish and maintain a dynamic, interactive habit of meaningful communication – whether it's an FFAS advisor simply following up a quarterly review with a note or phone call, or whether it's a client letting us know of a big change in their life.

FFAS expressly states in its Advisory Services Agreements that the client must be aware of possible losses inherent in the transactions in which FFAS will engage on behalf of the client. The client must be financially capable of bearing such losses, and recognize that all trading and investments in the account(s) are at the client's own risk. Further, the value of the assets held in the account(s) is subject to a variety of factors, such as the liquidity and volatility of the securities markets. It is communicated to the client that recommendations made by FFAS will inherently place the client under some risk, and this risk can result, among other risks, in the client losing investment capital, investment income, tax benefits, and/or purchasing power.

### 9.0 DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of FFAS or the integrity of FFAS's management team or advisors. FFAS has no reportable information applicable to this Item.

### 10.0 OTHER FINANCIAL INDUSTRY ACTIVITIES

FFAS advisors are also registered representatives of First Allied Securities, Inc. (First Allied), a broker/dealer and a member of FINRA/SIPC. As registered representatives of First Allied, FFAS advisors receive commissions, including 12b-1 fees, as compensation for trades made for clients as discussed in **Section 5.0**. First Allied also sponsors and hosts programs, conferences and other trips that are available to its registered representatives based on trailing annual production goals set by First allied. For many of these trips First Allied pays or reimburses travel-related costs of FFAS advisors and their spouses. This practice creates a conflict of interest in that it incentivizes FFAS advisors in their capacity as registered representatives of First Allied to use First Allied. FFAS minimizes the impact of these conflicts by ensuring the recommendation to use First Allied is in the best interest of the client without regard to the receipt of travel and other non-monetary compensation.

FFAS advisors are also licensed insurance agents. They offer various insurance products for which they earn a commission. This presents a conflict of interest in that receiving these commissions give advisors an incentive to recommend insurance products based on the compensation received, rather than on the client's needs. However, all FFAS advisors act in a fiduciary capacity, and make the client's needs paramount in their advisory recommendations. Insurance products may be available through other channels and as a client you are not obligated to purchase insurance products recommended by our advisors.

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FFAS is under common control with Geraldine B. Cunningham Associates, LLC, which is a related firm providing office management services for FFAS.

### 11.0 CODE OF ETHICS

FFAS has adopted a Code of Ethics for all supervised persons of the firm. The code describes our high standard of business conduct, explains our fiduciary duty to our clients, and includes provisions relating to issues such as:

- the confidentiality of client information;
- prohibitions on insider trading and rumor-mongering;
- restrictions on the acceptance of significant gifts;
- reporting certain gifts and business entertainment items; and
- personal securities trading procedures.

All supervised persons at FFAS must acknowledge the terms of the Code of Ethics annually, and whenever it is amended. FFAS' employees and persons associated with FFAS are required to follow FFAS' Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of FFAS may trade for their own accounts in securities that are recommended to and/or purchased for FFAS' clients. The Code of Ethics is designed to ensure that the personal securities transactions, activities, and interests of the employees of FFAS will not interfere with (i) making decisions in the best interest of advisory clients, or (ii) implementing such decisions while still allowing employees to invest for their own accounts.

Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of our clients. In addition, the Code 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. Therefore, employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between FFAS and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with FFAS' obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and will receive securities at a total average price. FFAS 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. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Our clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Matthew J. Cunningham at (401)596-0193 or [mcunningham@1stallied.com](mailto:mcunningham@1stallied.com).



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### 12.0 BROKERAGE PRACTICES

FFAS utilizes the brokerage services of First Allied Securities, Inc. to purchase and sell securities in client brokerage accounts. First Allied is an introducing broker-dealer that clears its transactions on a fully-disclosed basis through a third-party custodian, Pershing, LLC, (an affiliate of The Bank of NY Mellon).

Transaction and other brokerage charges are set forth in **Section 5.0**. We believe them to be reasonable. We evaluate our broker/dealer's "best execution" practices by examining a number of factors, including:

- commission costs and rates;
- qualitative execution;
- services provided;
- execution capability;
- client responsiveness;
- financial strength; and
- reputation.

While we always strive for overall "best execution" for client accounts, clients may pay more or less for similar services at a different broker/dealer. In striving for best execution, FFAS' primary custodian (Pershing, LLC) selects certain market centers for routing non-directed orders that offer automated execution of substantially all electronically transmitted orders in over-the-counter (OTC) and exchange-listed securities. The designated market centers to which orders are routed are selected based on the following:

- The consistent high quality of their executions in one or more market segments
- Their ability to provide opportunities for executions at prices superior to the national best bid of offer (NBBO)
- Service, accessibility speed of execution
- Cost counterparty credit worthiness

Pershing regularly reviews reports for quality of execution. The Pershing Customer Execution Quality (CEQ) team rigorously monitors execution quality by submitting all non-conditional, system-routed equity and option orders and executions to one of two external, unaffiliated, third-party execution quality auditing firms on a daily basis. These firms compare the reported executions and unexecuted orders to the National Best Bids and Offers (NBBOs) at the time of order entry and identify a subset of items that require review.

The CEQ team measures the proportion of exceptions generated by each market center relative to the amount of orders routed to each market center and finally the number of adjustments deemed necessary by the CEQ team relative to the number of exceptions generated by the market center. In addition, the CEQ team monitors execution quality statistical data made available by every equity execution venue pursuant to SEC 605 (formerly SEC Rule 11Ac1-5). FFAS reviews, on a quarterly basis, the latest Execution Quality Scorecard and Fixed income Exception Statistics reported by Pershing. Current and historical reports are available for review online at



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<https://data.pershing.com/email/pdf/ArchiveTS-BestEx.html>.

FFAS receives investment research products, software, and other services from First Allied to assist advisors in making investment decisions and monitoring all client accounts. Some of those items or services are obtained at a discount. We receive a benefit because we do not have to produce or pay for these research, products, or services. This presents a conflict of interest in that the discounts received create an incentive to direct client accounts to a specific custodian (i.e., in order to continue receiving such benefits). We address this conflict by always placing the client's needs and best interests first when considering which recommendations to offer. We do not engage in mark-ups or mark-downs.

## **13.0 REVIEW OF ACCOUNTS**

We will provide, either directly or through the broker/dealer, written quarterly evaluation reports to all clients with advisory accounts. These reports analyze the performance of the client's advisory account in relation to various market indices. See **Section 15.0** for additional information.

Additionally, we meet or communicate with clients on a regular and ongoing basis (e.g., monthly, quarterly, and/or when an event occurs that may pertain to a client's specific circumstances, situation, objective, or investment. We also routinely send clients articles from various publications when we feel the client might benefit from such information, as well as email communications containing broker-dealer compliance-approved monthly marketing insights and financial watch information.

## **14.0 CLIENT REFERRALS AND OTHER COMPENSATION**

Neither FFAS, nor its representatives, offer, provide, or accept compensation in connection with client referrals.

## **15.0 CUSTODY**

We do not have direct custody of client funds or securities. All accounts are held and maintained with a qualified custodian. All statements originate from custodians and are sent directly to clients on a periodic basis (monthly, unless the account has no activity, in which case, at least quarterly. The account custodian for our fee-based accounts, Pershing LLC, typically debits our advisory fees directly from client accounts unless an alternative payment method is established. Therefore, we urge clients to carefully review all statements received from the custodian, especially in relation to quarterly advisory fee payments. Clients should notify us as soon as possible about any discrepancies they may detect.

## **16.0 INVESTMENT DISCRETION**

We do not accept discretionary trading authority on any client investment accounts.

## **17.0 VOTING CLIENT SECURITIES**

From time-to-time, the account custodian will mail proxy voting documents to the client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios. FFAS does not

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request, accept, or exercise any authority to vote proxies on behalf of advisory clients. However, we encourage clients to call us with any questions they may have about voting proxies. The final decision on how to vote the proxy rests with the client or plan sponsor.

### **18.0 FINANCIAL INFORMATION**

As a registered investment advisor, FFAS is required, in this Item, to provide certain financial information or disclosures about our financial condition. As of this document's publication date, FFAS has no financial commitment that does, or might, impair our ability to meet contractual and fiduciary commitments to clients. FFAS has not been the subject of a bankruptcy proceeding. Lastly, FFAS does not request fees in excess of \$1,200 more than six months in advance of services to be rendered.

In order to avoid any potential business interruption due to the COVID-19 pandemic, an affiliate, GBC Associates, LLC., ("GBC") elected to participate in the Paycheck Protection Program (PPP) and received \$94,777 which was used primarily to cover payroll, lease payments and utilities. GBC leases some of its staff to FFAS, whose payroll was covered by the PPP. In view of the uncertainty caused by the pandemic, GBC wanted to make sure that it was in the best position to retain its employees. We do not currently anticipate any need to access capital in the near future, and at this time we anticipate that the PPP loan will allow us to retain our employees and will eliminate the risk of business interruption and will prevent any decline in the level of service we provide to our clients. These conditions will not impair our Firm's ability to meet contractual commitments to our clients.

**PART 2B**  
2021 BROCHURE SUPPLEMENT

## **BROCHURE SUPPLEMENT – GERALDINE B. CUNNINGHAM**

### **Item 1 – Identifying Information as of March 31, 2021**

Geraldine Butera Cunningham  
Telephone: (401) 596-0193  
Fax: (401) 596-0195

First Financial Advisory Services, Inc.  
85 Beach Street  
Westerly, Rhode Island 02891

This Brochure Supplement (Part 2B of Form ADV) provides information about Geraldine B. Cunningham that adds to that which is presented about her in the First Financial Advisory Services, Inc.'s Brochure. As a client or a prospective client, you should have already received a copy of that Brochure.

Please contact us at (401) 596-0193 or via e-mail at [gcunningham@1stallied.com](mailto:gcunningham@1stallied.com) if you did not receive FFAS' Brochure or if you have any questions about the contents of this Supplement. Additional information about Geraldine B. Cunningham is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for CRD number 1093600.

### **Item 2 - Educational Background and Business Experience**

Geraldine B. Cunningham was born in 1939. Her educational background and business experience are noted below.

- Miami Edison High School – Miami, FL – 1958
- No formal post-High School Education
- Investment Advisory Representative, First Financial Advisory Services, Inc., 1983 to present
- Vice President, First Financial Advisory Services, Inc., 1983 to 2011
- President & Treasurer, First Financial Advisory Services, Inc., 2013 to present
- Registered Principal, First Allied Securities, 1996 to present

Mrs. Cunningham also holds the following registrations and designations:

- Series 7 (General Securities Representative)
- Series 24 (General Securities Principal)
- Series 51 (Municipal Fund Securities Principal)
- Series 63 (Uniform Securities Agent State Law Examination)
- Series 65 (Uniform Investment Advisor Law Examination)
- ChFC - Chartered Financial Consultant<sup>1</sup>
- CLU - Chartered Life Underwriter<sup>2</sup>
- CMFC - Chartered Mutual Fund Counselor<sup>3</sup>

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<sup>1</sup> Issued by: The American College, Philadelphia, PA; Prerequisites/Experience Required: 3 years of full-time business experience within the five years preceding the awarding of the designation; Educational Requirements: 6 core and 2 elective courses; Examination Type: Final proctored exam for each course; Continuing Education/Experience Requirements: 30 CE credits every 2 years.

<sup>2</sup> Issued by: The American College, Philadelphia, PA; Prerequisites/Experience Required: 3 years of full-time business experience within the five years preceding the awarding of the designation; Educational Requirements: 5 core and 3 elective courses; Examination Type: Final proctored exam for each course; Continuing Education/Experience Requirements: 30 CE credits every 2 years; Code of Ethics signed and observed.

<sup>3</sup> Issued by: The College for Financial Planning, Greenwood Village, CO; Educational Requirements: 9 modules; Examination Type: Final proctored exam; Continuing Education/Experience Requirements: 16 CE credits every 2 years; Code of Ethics signed and observed.

#### Item 4 - Other Business Activities

Mrs. Cunningham's principal business activities, and the approximate amount of her time allotted to each of them, are indicated below.

- Giving investment advice and investment management – 80%
- Rendering personal financial consulting services – 15%
- Other financial planning activities – 5%

Additionally, as a Registered Representative of First Allied Securities, Mrs. Cunningham receives commissions on the sale of some securities and other investment products. She also receives distribution or service ("trail") fees from the sale of some mutual funds. This presents a conflict of interest in that receiving these commissions and fees might be perceived as an incentive for her to recommend investment products based on the compensation received, rather than on the client's needs. However, as a fiduciary and an Investment Advisor Representative of First Financial Advisory Services, Inc., Geraldine B. Cunningham has a responsibility to make recommendations that are in the best interests of each client.

First Allied also sponsors and hosts programs, conferences and other trips that are available to its registered representatives based on trailing annual production goals set by First allied. For many of these trips First Allied pays or reimburses travel-related costs of FFAS advisors and their spouses. This practice creates a conflict of interest in that it incentivizes FFAS advisors in their capacity as registered representatives of First Allied to use First Allied. FFAS minimizes the impact of these conflicts by ensuring the recommendation to use First Allied is in the best interest of the client without regard to the receipt of travel and other non-monetary compensation.

Geraldine B. Cunningham, in her separate capacity as an insurance agent or broker, is able to recommend insurance policies and/or insurance investment products for clients, for which she will receive separate, yet customary compensation. FFAS clients are not under any obligation to engage Geraldine B. Cunningham when considering the implementation of advisory recommendations to purchase insurance products, and may use any insurance brokerage firm and agent of their choosing. The implementation of any or all recommendations is solely at the discretion of the client.

Geraldine B. Cunningham has a fiduciary duty to act in the best interest of the client at all times. FFAS clients should be aware, however, that the receipt of additional compensation creates an inherent conflict of interest when making recommendations. Clients are expressly instructed that fees paid to FFAS for advisory services are separate and distinct from compensation paid to a FFAS representative acting in the capacity of an insurance agent for the sale of insurance products. See the **Form ADV Part 2A** for additional details.

#### Item 5 - Additional Compensation

Geraldine B. Cunningham earns additional compensation from the sale of insurance products as outlined in **Item 4**.

#### Item 6 - Supervision

Mrs. Cunningham is a member of a team of three investment advisors at FFAS. Before providing investment advice to clients and implementing investment decisions, the team of advisors meets and cross monitors the investment advice. The person responsible for supervising the team is Geraldine B. Cunningham. As the Chief Compliance Officer, Matthew Cunningham is responsible for monitoring and enforcing compliance with state and other regulatory requirements, with respect to our policies and procedures, Code of Ethics, Information Security, and employee rules of conduct. Geraldine and Matthew can be reached at (401) 596-0193.

## **BROCHURE SUPPLEMENT – MATTHEW J. CUNNINGHAM**

### **Item 1 – Identifying Information as of March 31, 2021**

Matthew J. Cunningham  
Telephone: (401) 596-0193  
Fax: (401) 596-0195

First Financial Advisory Services, Inc.  
85 Beach Street  
Westerly, Rhode Island 02891

This Brochure Supplement (Part 2B of Form ADV) provides information about Matthew J. Cunningham that adds to that which is presented about him in the First Financial Advisory Services, Inc.'s Brochure. As a client or a prospective client, you should have already received a copy of that Brochure. Please contact us at (401) 596-0193 or via e-mail at [mcunningham@1stallied.com](mailto:mcunningham@1stallied.com) if you did not receive FFAS' Brochure or if you have any questions about the contents of this Supplement. Additional information about Matthew J. Cunningham is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for CRD number 5298864.

### **Item 2 - Educational Background and Business Experience**

Matthew J. Cunningham was born in 1968. His educational background and business experience are noted below.

- Vanderbilt University – Nashville, TN – B.A. Classical Languages 1989
- Senior Project Manager, AKT Peerless Environment, 2005 to 2007 (other environmental firms: 1991-2007)
- Registered Representative, First Allied Securities, 2007 to present
- Investment Advisory Representative, First Financial Advisory Services, Inc., 2008 to present
- Chief Compliance Officer & Secretary, First Financial Advisory Services, Inc., 2013 to present

Mr. Cunningham also holds the following registrations and designations:

- Series 4 (Registered Options Principal)
- Series 7 (General Securities Representative)
- Series 63 (Uniform Securities Agent State Law Examination)
- Series 65 (Uniform Investment Advisor Law Examination)
- CWS® – Certified Wealth Strategist® Practitioner<sup>4</sup>
- CFP® – Certified Financial Planner® Practitioner<sup>5</sup>

### **Item 3 - 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 each supervised person providing investment advice. No information is applicable to this item.

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<sup>4</sup> Issued by: Cannon Financial Institute; Prerequisites/Experience Required: 3 years in the financial services industry, and significant experience in a client-facing role, or a 4 year degree from an accredited school; Educational Requirements: 4 self-study modules, Two-day instructor-led classes, and final project; Examination Type: 4 on-line exams and a comprehensive written Capstone Project; Continuing Education/Experience Requirements: 30 CE credits and 3 Ethics credits every 2 years.

<sup>5</sup> CFP Board ID #174870; Prerequisites/Experience Required: 3 years of professional experience in the financial planning process, or 2 years of apprenticeship experience that meets additional requirements, a bachelor's degree (or higher) from a regionally-accredited college or university; Educational Requirements: the completion of a college-level program of study in personal financial planning, or an accepted equivalent; Certification includes: The CFP® Certification Examination assesses your ability to apply your financial planning knowledge, in an integrated format, to financial planning situations as well as adherence to the high standards of ethics and practice outlined in the CFP Board's [Standards of Professional Conduct](#); Continuing Education/Experience Requirements: 28 CE credits and 2 Ethics credits every 2 years.

#### Item 4 - Other Business Activities

Mr. Cunningham's principal business activities, and the approximate amount of his time allotted to each of them, are indicated below.

- Giving investment advice and investment management – 80%
- Rendering personal financial consulting services – 15%
- Other financial planning activities – 5%

Additionally, as a Registered Representative of First Allied Securities, Mr. Cunningham receives commissions on the sale of some securities and other investment products. He also receives distribution or service ("trail") fees from the sale of some mutual funds. This presents a conflict of interest in that receiving these commissions and fees might be perceived as an incentive for him to recommend investment products based on the compensation received, rather than on the client's needs. However, as a fiduciary and an Investment Advisor Representative of First Financial Advisory Services, Inc., Matthew J. Cunningham has a responsibility to make recommendations that are in the best interests of each client.

First Allied also sponsors and hosts programs, conferences and other trips that are available to its registered representatives based on trailing annual production goals set by First allied. For many of these trips First Allied pays or reimburses travel-related costs of FFAS advisors and their spouses. This practice creates a conflict of interest in that it incentivizes FFAS advisors in their capacity as registered representatives of First Allied to use First Allied. FFAS minimizes the impact of these conflicts by ensuring the recommendation to use First Allied is in the best interest of the client without regard to the receipt of travel and other non-monetary compensation.

Matthew J. Cunningham, in his separate capacity as an insurance agent or broker, is able to recommend insurance policies and/or insurance investment products for clients, for which he will receive separate, yet customary compensation. FFAS clients are not under any obligation to engage Matthew J. Cunningham when considering the implementation of advisory recommendations to purchase insurance products, and may use any insurance brokerage firm and agent of their choosing. The implementation of any or all recommendations is solely at the discretion of the client.

Matthew J. Cunningham has a fiduciary duty to act in the best interest of the client at all times. FFAS clients should be aware, however, that the receipt of additional compensation creates an inherent conflict of interest when making recommendations. Clients are expressly instructed that fees paid to FFAS for advisory services are separate and distinct from compensation paid to a FFAS representative acting in the capacity of an insurance agent for the sale of insurance products. See the **Form ADV Part 2A** for additional details.

#### Item 5 - Additional Compensation

Matthew J. Cunningham earns additional compensation from the sale of insurance products as outlined in **Item 4**.

#### Item 6 - Supervision

Mr. Cunningham is a member of a team of three investment advisors at FFAS. Before providing investment advice to clients and implementing investment decisions, the team of advisors meets and cross monitors the investment advice. The person responsible for supervising the team is Geraldine B. Cunningham. As the Chief Compliance Officer, Matthew Cunningham is responsible for monitoring and enforcing compliance with state and other regulatory requirements, with respect to our policies and procedures, Code of Ethics, Information Security, and employee rules of conduct. Geraldine and Matthew can be reached at (401) 596-0193.

## **BROCHURE SUPPLEMENT – PETER B. ROBINSON**

### **Item 1 – Identifying Information as of March 31, 2021**

Peter B. Robinson  
Telephone: (401) 596-0193  
Fax: (401) 596-0195

First Financial Advisory Services, Inc.  
85 Beach Street  
Westerly, Rhode Island 02891

This Brochure Supplement (Part 2B of Form ADV) provides information about Peter B. Robinson that adds to that which is presented about him in the First Financial Advisory Services, Inc.'s Brochure. As a client or a prospective client, you should have already received a copy of that Brochure. Please contact us at (401) 596-0193 or via e-mail at [probinson@1stallied.com](mailto:probinson@1stallied.com) if you did not receive FFAS' Brochure or if you have any questions about the contents of this Supplement. Additional information about Peter B. Robinson is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for CRD number 6153017.

### **Item 2 - Educational Background and Business Experience**

Peter B. Robinson was born in 1967. His educational background and business experience are noted below.

- University of Maine – Orono, ME – B.S. Mechanical Engineering 1989
- Rensselaer Polytechnic Institute – Troy, NY – M.S. Mechanical Engineering 1993
- Mechanical Engineer/Project Lead/U.S. Navy fleet liaison, Naval Undersea Warfare Center, Newport, RI 1989 to 2015
- Registered Representative, First Allied Securities, 2014 to present
- Investment Advisory Representative, First Financial Advisory Services, Inc., 2014 to present
- Income Tax Preparer, Geraldine B. Cunningham Associates – 1998 to 2013
- Sole Owner and Income Tax Preparer – RC Associates, LLC – 2014 to present

Mr. Robinson also holds the following registrations and designations:

- Series 7 (General Securities Representative)
- Series 66 (Uniform Combined State Law Examination)
- CWS® – Certified Wealth Strategist® Practitioner<sup>6</sup>
- Registered Income Tax Preparer

### **Item 3 - 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 each supervised person providing investment advice. No information is applicable to this item.

### **Item 4 - Other Business Activities**

Mr. Robinson's principal business activities, and the approximate amount of his time allotted to each of them, are indicated below.

- Giving investment advice and investment management – 80%
- Rendering personal financial consulting services – 15%
- Other financial planning activities – 5%

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<sup>6</sup> Issued by: Cannon Financial Institute; Prerequisites/Experience Required: 3 years in the financial services industry, and significant experience in a client-facing role, or a 4 year degree from an accredited school; Educational Requirements: 4 self-study modules, Two-day instructor-led classes, and final project; Examination Type: 4 on-line exams and a comprehensive written Capstone Project; Continuing Education/Experience Requirements: 30 CE credits and 3 Ethics credits every 2 years.



Additionally, as a Registered Representative of First Allied Securities, Mr. Robinson receives commissions on the sale of some securities and other investment products. He also receives distribution or service (“trail”) fees from the sale of some mutual funds. This presents a conflict of interest in that receiving these commissions and fees might be perceived as an incentive for him to recommend investment products based on the compensation received, rather than on the client’s needs. However, as a fiduciary and an Investment Advisor Representative of First Financial Advisory Services, Inc., Peter B. Robinson has a responsibility to make recommendations that are in the best interests of each client.

First Allied also sponsors and hosts programs, conferences and other trips that are available to its registered representatives based on trailing annual production goals set by First allied. For many of these trips First Allied pays or reimburses travel-related costs of FFAS advisors and their spouses. This practice creates a conflict of interest in that it incentivizes FFAS advisors in their capacity as registered representatives of First Allied to use First Allied. FFAS minimizes the impact of these conflicts by ensuring the recommendation to use First Allied is in the best interest of the client without regard to the receipt of travel and other non-monetary compensation.

Peter B. Robinson, in his separate capacity as an insurance agent or broker, is able to recommend insurance policies and/or insurance investment products for clients, for which he will receive separate, yet customary compensation. FFAS clients are not under any obligation to engage Peter B. Robinson when considering the implementation of advisory recommendations to purchase insurance products, and may use any insurance brokerage firm and agent of their choosing. The implementation of any or all recommendations is solely at the discretion of the client.

Peter B. Robinson has a fiduciary duty to act in the best interest of the client at all times. FFAS clients should be aware, however, that the receipt of additional compensation creates an inherent conflict of interest when making recommendations. Clients are expressly instructed that fees paid to FFAS for advisory services are separate and distinct from compensation paid to a FFAS representative acting in the capacity of an insurance agent for the sale of insurance products. See the **Form ADV Part 2A** for additional details.

#### **Item 5 - Additional Compensation**

Peter B. Robinson earns additional compensation from the sale of insurance products as outlined in **Item 4**.

#### **Item 6 - Supervision**

Mr. Robinson is a member of a team of three investment advisors at FFAS. Before providing investment advice to clients and implementing investment decisions, the team of advisors meets and cross monitors the investment advice. The person responsible for supervising the team is Geraldine B. Cunningham. As the Chief Compliance Officer, Matthew Cunningham is responsible for monitoring and enforcing compliance with state and other regulatory requirements, with respect to our policies and procedures, Code of Ethics, Information Security, and employee rules of conduct. Geraldine and Matthew can be reached at (401) 596-0193.

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# | first • financial | advisory *services*, [inc.]

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Westerly, Rhode Island 02891  
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