

Item 1 Cover Page

IBN FINANCIAL SERVICES, INC.

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March 31, 2021

This brochure provides information about the qualifications and business practices of IBN Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at 315.652.4426 or compliance@ibrokernet.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. IBN Financial Services, Inc. is a registered investment adviser. Registration does not imply any certain level of skill or training.

Additional information about IBN Financial Services, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This version of IBN Financial Services' Brochure, dated March 31, 2021, is our Annual Amendment brochure document and discusses our business and material changes in fiscal year 2020. It contains information regarding our business practices as well as a description of potential conflicts of interest relating to our advisory business that could affect a client's account with us.

Additional information about IBN Financial Services, Inc. is also available via the SEC's website www.adviserinfo.sec.gov. You can search this site by using a unique identifying number, known as a CRD number. The CRD number for IBN Financial Services, Inc. is 42360. The SEC's web site also provides information about any persons affiliated with IBN Financial Services, Inc. who are registered, or are required to be registered, as Investment Adviser Representatives of IBN Financial Services, Inc.

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INFORMATIONAL BROCHURE
IBN FINANCIAL SERVICES, INC.

Item 4 Advisory Business

Principally owned by Richard J. Carlesco Jr., Christopher R. Avery and Timothy E. Evans, IBN Financial Services, Inc. (“IBNFNSR”) has been in business since June, 2002. “IBNFNSR” is a division of IBN Financial Services, Inc. (“IBNBD”) a Financial Industry Regulatory Authority “FINRA”, is affiliated with IBN Advisory Services, Inc. and has several Investment Advisors. IBN Financial Services, Inc. is a New York Corporation with its principal office located at 404 Old Liverpool Rd., Liverpool, NY 13088., but maintains regional offices throughout the United States. “IBNFNSR” provides financial planning and asset management services. Depending upon the individual professional or investment team working with the client, “IBNFNSR” may also provide assistance with household finances, debt management or other matters on a consistent basis. Most asset management will be performed through allocations to one or more investment strategies offered by IBN Financial Services, Inc., IBN Advisory Services, Inc. or as a referral to another Registered Investment Advisor firm.

We provide these advisory services through numerous investment teams, each of which with their own advisory focus, driven primarily by the types of clients they service. Each investment team that comprises “IBNFNSR” may also use a trade name so long as it is disclosed that they are registered representatives of IBN Financial Services, Inc.

Financial Planning, Assistance and Education

In most cases, the client will supply a “IBNFNSR” representative with information including income, investments, savings, insurance, age, and many other items that are helpful to the firm in assessing financial goals. The information is typically provided during personal interviews and supplemented with written information. Once the information is received, we will discuss your financial needs and goals with you and compare your current financial situation with the goals you state. Once these are compared, we will create a financial and/or investment plan to help you meet your goals, and work with you to educate you about household finances and investments. In some cases, upon request, we will assist in the management of finances, though no “IBNFNSR” representative will take responsibility for actual payment of client’s personal bills.

The plan is intended to be a suggested blueprint of how to meet your goals. Not every plan will be the same for every client. Each one is specific to the client who requested it. Because the plan is based on information supplied by you, it is very important that you accurately and completely communicate to us the information we need. Also, your circumstances and needs may change as your engagement with us progresses. It is very important that you continually update us with any changes so that if the updates require changes to your plan, we can make those changes. Otherwise, your plan may no longer be accurate.

Asset Management

Asset management services involve the rendering of advice to clients regarding the purchase and sale of securities in the client’s account.

“IBNFNSR” does not have a specified minimum account size. Some clients who wish to access multiple asset management styles, specifically third-party managers, may be required to have an account minimum.

Asset management services may be provided on either a “discretionary” or “non-discretionary” basis. When “IBNFNSR” is engaged to provide asset management services on a discretionary basis, “IBNFNSR” will monitor the accounts to ensure that they are meeting the client’s asset allocation requirements. If any changes are needed, “IBNFNSR” will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. Clients may at any time place restrictions on the way their account is managed. For example, a client may restrict the types of investments IBN FSR may use in the client’s account, or the

allocations to a security type. Clients engaging “IBNFNSR” on a discretionary basis will be asked to execute an Investment Management Agreement that outlines the responsibilities of both the client and “IBNFNSR”.

When a client engages “IBNFNSR” to provide investment management services on a non- discretionary basis, we monitor the accounts in the same way as for discretionary services. The difference is that changes to the account will not be made until “IBNFNSR” has confirmed with the client (either verbally or in writing) that the proposed change is acceptable to the client.

When clients engage “IBNFNSR” to provide asset management services, the client and “IBNFNSR” will execute an Investment Management Agreement that describes the services to be provided, the fees for the service, other expenses related to the provision of the investment management services, and how to terminate the agreement.

Financial Consulting

“IBNFNSR” may provide financial consulting services (including investment and non-investment related matters, including estate planning, retirement planning, tax planning, etc.). Prior to engaging “IBNFNSR” to provide planning or consulting services, clients are generally required to enter into a written agreement with “IBNFNSR” setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to “IBNFNSR” commencing services.

Assets Under Management

As of December 31, 2021, “IBNFNSR” reports \$67,247,975 in client assets on a discretionary basis and \$0.00 on a non-discretionary basis.

Assets Held Custody

AXOS Clearing, Inc. **IBN does not custody any assets.**

Third Party Management IBN Advisory Services, Inc.

Morningstar Investment Services, Inc. Morningstar/Fidelity

AssetMarkEquis

Pacific Financial Group, Inc. Pacific Financial Group/AllianzNationwide/Jefferson National Ktrade

Quartz Partners Investment Management SEI Investment Management Corp Absolute Capital Management, LLC

In-House Investment Managers

Timothy Nihill CFP

Harjit Arora PHD Economics Robert M. Moskwa

Ralph Pline

Chad Colbert CFP, CFA Elliot Schrag

Mark Levitch CPA and Todd Glenn

Item 5 Fees and Compensation

Fees Charged/ Fee Schedule:

Financial Planning, Assistance and Education

Financial planning fees can be hourly, fixed fee basis (which may be per project or ongoing) or included with asset management services. Our hourly charge is between \$125 and \$350 per hour. Fixed fees will be between \$0 and \$15,000. The fee range stated is a guide. Fees may be higher or lower than this range, based on the nature of the engagement. Fees are negotiable and will depend on the anticipated complexity of your plan.

Asset Management (Fees)

Generally, fees may vary from 0.50% to 2.00% per annum of the market value of a client's assets managed by "IBNFNSR". 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.

Any fee above 2% must be approved by compliance in advance and the reason for the excess fee must be detailed in writing on part B of the Investment Management Agreement.

Folio trades at 11am EST and 2PM EST for no cost to the client. If the client wants to make a market order (outside our normal trading times) there is a \$3.95 charge per transaction.

Clients being charged a fee greater than 2%, above the standard advisory fee, may be able to find comparable advisory services elsewhere for less. Charging more than 2% would violate the antifraud provision of Section 206 of the Investment Advisors Act of 1940 unless that advisor discloses to existing and potential clients that the fee is higher than normally charged in the industry and that other investment advisors provide the same or similar services at lower rates.

Folio Investments Inc. has a list of service fees, such as for wiring money, complete transfer out, returned checks, etc. You can find a complete list of those service fees on Folio Investments, Inc's website. Folio trades at 11am EST and 2PM EST for no cost to the client. If the client wants to make a market order (outside our normal trading times) there is a \$3.95 charge per transaction.

AXOS Clearing has the ability to set up fees that include transactions as well as those where the client agrees to pay the transaction costs (the advisors make no income at all on these transaction) and pays a fee on top of the transaction cost (the fee is typically 1% or less in that scenario).

All fees that are outside the normal rates noted in paragraph one must be pre-approved by compliance and completely described in Schedule B of the Investment Management Agreement.

Financial Consulting

Financial consulting that is done on a fixed fee basis (which may be per project or ongoing). Fixed fees will be between \$500 and \$4,000 per annum. The fee range stated is a guide. Fees may be higher or lower than this range, based on the nature of the engagement. Fees are negotiable and will depend on the anticipated complexity of your plan.

Fee Payment

Investment advisory fees will generally be debited directly from each client's account. However, clients do have the option to pay fees through an automated payment service although it is not required. The advisory fee is paid on either a quarterly or monthly basis depending on the chosen custodian and method. Depending on the client's needs and suitability, the appropriate custodian and billing model will be recommended. Fees are calculated based on the average value, beginning value, or ending value depending on the manager or the custodian and will be disclosed in the Investment Management Agreement. Fees can be charged quarterly or monthly, in arrears or in advance, these are also disclosed in the Investment Management Agreement. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to the firm.

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 also receive a statement from their account custodian showing all transactions in their account, including the fee. It is the responsibility of the client to verify the accuracy of

all fee calculations. The client may terminate the investment advisory contract by notifying IBN FSR in writing at its principal place of business.

Clients whose fees are debited from their bank accounts using the automated payment service will provide written consent for “IBNFNSR” to debit their bank accounts for the amount of the fee due to IBN Financial Services, Inc. The advisory agreement may be modified as mutually agreed upon in writing. The agreement is terminable by you at any time. The agreement is not assignable by IBN Advisory Services, Inc. without the advance written consent of the client.

Other Fees

Mutual Funds

All fees paid to “IBNFNSR” for investment advisory services are separate and distinct from the fees and expenses charged by underlying investments such as mutual funds. In the case of mutual funds, these fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Expenses of a fund, including management fees payable to the mutual fund manager, will not appear as transaction fees on a client's statement, as they are deducted from the value of the shares by the mutual fund manager. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a fund directly, without the services of “IBNFNSR”. In that case, the client would not receive the services provided by “IBNFNSR” which are designed, among other things, to assist the client in determining which fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by “IBNFNSR” to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. “IBNFNSR” can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Wrap Fees

If you choose a wrap fee you will only be charged a disclosed fee. You will not be charged for any trading fees. However, in any account you may be charged by other entities such as account closing fees and internal management fees. Please consult your advisor and review the Investment Management Agreement carefully and read any other documents that may be provided such as a fee schedule.

Traditional Management Fees

If you choose this format you will be responsible for all trading and account fees separately from your management fee. These fees will be totally disclosed. Investment Advisors cannot earn a commission and a fee on the same asset. Please consult your advisor and review the Investment Management Agreement carefully and read any other documents that may be provided such as a fee schedule.

Other Fees

There are a number of other fees that can be associated with holding and investing in securities. You will be responsible for those disclosed in advance fees. There also may be fees associated with the custody of assets.

Because the frequent withdrawal and subsequent deposits of funds from “IBNADV” or Third-Party Strategies can have an adverse impact on the success of those strategies and incur costs related to the execution of the liquidation transactions to fund withdrawals, clients withdrawing funds from a strategy offered by “IBNADV” or Third-Party Strategies can be charged a fee. This fee may be waived by “IBNADV”.

When utilizing the services of a third-party manager (as described more in Item 8), such managers will charge fees for

their services. These fees are separate from, and in addition to, “IBNADV” fees.

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

Pro-rata Fees

If you become a client during a billing period, you will pay a management fee for the number of days that you are in the investment (which could be the balance of a month or a quarter, depending upon the custodian chosen and other factors). If you terminate our relationship during a billing period, you will only be charged for the number days during that period you are invested.

Compensation for the Sale of Securities

To permit “IBNFNSR” clients to have access to as many investment solutions as possible, certain professionals of “IBNFNSR” are registered representatives of IBN Financial Services, Inc. (“IBNBD”), a FINRA member broker-dealer. The relationship with “IBNBD” allows these professionals to provide additional products to clients’ portfolios that would not otherwise be available. Because “IBNBD” supervises the activities of these professionals as registered representatives of “IBNBD”, the relationship may be deemed material. Registered representative status enables these professionals to receive customary commissions for the sales of various securities, including those he recommends to clients. Commissions charged for these products may or may not offset management fees owed to “IBNFNSR”.

Receipt of commissions for investment products that are recommended to clients gives rise to a conflict of interest for the representative, in that the individual who will receive the commissions is also the individual that is recommending that the client purchase a given product. This conflict is disclosed to clients verbally and in this brochure. Clients are advised that they may choose to implement any investment recommendation through another broker-dealer that is not affiliated with “IBNFNSR”. “IBNFNSR” attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring employees to acknowledge their fiduciary responsibility toward each client.

Item 6 Performance-Based Fees

Qualifications

Performance-based fees can only be used with qualified clients. The term qualified client means a natural person who, or a company that, immediately after entering the contract has at least \$1,000,000 under the management of the investment adviser and/or has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,000,000. The person’s primary residence must not be included as an asset.

In measuring clients’ assets for the calculation of performance-based fees, we shall include realized and unrealized capital gains and losses.

Item 7 Types of Clients

“IBNFNSR” generally provides advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

“IBNFNSR” recommends minimums based on selected strategy. “IBNFNSR” has strategies that have no minimum however some strategies from third party managers can have minimums. Minimum recommendations for each strategy can be viewed in our account application packet or Item 8 below.

“IBNFNSR” can waive the minimum amount requirements at their sole discretion.

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

When a client engages “IBNFNSR”, the firm will review a client’s portfolios, discuss the client’s investment objectives, and risk tolerance as well as any potential investment restrictions, and plan a transition for the client’s assets from their current accounts to accounts managed by the firm. Transition plans will involve the placement of each client’s assets in an asset allocation strategy deemed appropriate by “IBNFNSR”. In many instances, but not always, the assets will be placed in the “IBNADV” Portfoliosproprietary strategies.

Methods of Analysis and Investment Strategies

Each client’s portfolio will be invested according to that client’s investment objectives. We determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. Once we ascertain your objectives for each account, we will develop a financial strategy that fits those objectives. Because we develop an investment strategy based on your personal situation and financial goals, your asset allocation guidelines may be similar to or different from another client’s. Once we agree on allocation guidelines, risk tolerance, time horizon, and how to achieve these results, we will develop an investment strategy to guide all parties involved in the execution of these goals, including but not limited to, “IBNFNSR”, the client, the custodian, and the investment managers.

Upon completion of the investment strategy, we will periodically recommend securities transactions in your portfolio to meet the guidelines of the asset allocation strategy. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.

The specific securities we recommend for your account will depend on market conditions and our research at the time. Generally, we recommend that clients invest through our affiliate’s proprietary strategies “IBNADV”, but we may also recommend securities such as stocks, index funds, exchange traded funds, mutual funds, and bonds or other third-party managers.

IBN Advisory Services, Inc. relies on trade signals provided to them from Dynamic Portfolio Strategies to manage most of their proprietary models.

Dynamic Portfolio Strategies Investment Philosophy

Dynamic Portfolio Strategies has worked to identify the relationships between market data, economic data, and the performance of financial markets, in an effort to systematically increase returns and reduce volatility. What we have found is that market events are not random, and just as the economy experiences cycles, so do the financial markets. There are times to own bonds, stocks, and commodities and more importantly, there are times to sell them. Using mathematical algorithms coupled with a methodical, proprietary scoring process, our models provide disciplined and unemotional “buy” and “sell” signals as the market changes. Based on these signals, client assets are then moved between stock, bond, sector, and money market mutual funds. A wide range of portfolios are offered to accommodate varying risk tolerances and investment objectives.

Charlie White is president of Dynamic Portfolio Strategies

Charlie has spent over 30 years in the financial services industry, beginning his career in 1986 as a full-service commission broker. For nearly 20 years, Charlie built and managed a successful brokerage business, based on the “Buy and Hold” investment philosophy. Following the tumultuous bear markets of 2001 and 2002, Charlie developed a dynamic asset management program to address the uncertainty in the markets. He began to transition his clients to the program, along with a migration from commission to fee-based accounts, as a way to protect his clients’ portfolios and proactively address market volatility. Charlie sold his retail advisory business and now focuses all of his time on helping other advisors introduce dynamic asset management totheir clients.

Dr. David Pollack, Chief Investment Strategist

Dave brings with him nearly 30 years of mathematics experience. Dave attended the University of Illinois, earning a

bachelor's degree in Mathematics, a master's degree in Mathematics, and a Ph.D. in Mathematics. Dave is responsible for developing and defining the algorithms supporting the DPS program. He is an integral part of the program's data integration as well as the lead in new model advancements.

When mutual funds are utilized, specific mutual funds are chosen based on where its investment objective fits into the asset allocation recommended by "IBNFNSR", its risk parameters, past performance, peer rankings, fees, expenses, and any other aspects of the fund "IBNFNSR" deems relevant to that particular fund. We base our conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses. We will also utilize technical analyses, which means that we will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

As assets are transitioned from a client's prior advisers to "IBNFNSR", 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 "IBNFNSR". 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. In the event an investment in a client account is unable to be unwound for a period of time, "IBNFNSR" will monitor the investment as part of its services to the client. "IBNFNSR" may suggest that a given investment be moved to a separate account.

Third Party Managers

We may recommend that certain portions of a client's portfolio be managed by independent third-party managers or recommend direct investment with independent third-party managers, typically when those managers demonstrate knowledge and expertise in a particular investment strategy. We consider private placement, or "hedge funds" as third-party managers.

We examine the experience, expertise, investment philosophies and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentration, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

Based on a client's individual circumstances and needs, we will determine which selected money manager's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance and the investment philosophy of the selected money manager. We encourage clients to review each third-party manager's disclosure document regarding the particular characteristics of any program and managers selected by us.

We will regularly and continuously monitor the performance of the selected money managers. If we determine that a particular selected money manager is not providing sufficient management services to the client or are not managing the client's portfolio in a manner consistent with the client's investment objectives, we will remove the client's assets from that selected money manager and place the client's assets with another money manager at our discretion and without prior consent from the client, unless the client is non-discretionary. Permission for non-discretionary accounts will be obtained before placing the client's assets with another money manager.

"IBNFNSR" will obtain appropriate due diligence on all independent third-party managers, making reasonable inquiries into their performance calculations, policies and procedures, code of ethics policies and other operational and compliance matters to account for performance and risk management. We examine the experience, expertise, investment philosophies and past performance of third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor

the manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

Clients may have their assets allocated to the strategies of, "IBNBD" or "IBNADV". folios. The majority of "IBNFNSR" client assets are invested through Folio Investments, Inc., and our affiliate "IBNADV". Individual investment adviser representatives may receive greater compensation for allocating assets to "IBNBD" or "IBNADV" than to other managers. This conflict of interest is disclosed to clients verbally and in this brochure.

"IBNFNSR" also attempts to mitigate the conflict of interest by requiring employees to acknowledge the firm's Code of Ethics, their individual fiduciary duty to the clients of "IBNADV", which requires that employees put the interests of clients ahead of their own.

The use of a third-party manager does not change the relationship between the "IBNFNSR" professional and the client, in that such professional will still manage the overall client portfolio, adding, subtracting, and modifying the allocations to different strategies and managers.

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.
- Strategy Risk. When investments are made through a strategy, rather than individualized investment considerations, there is always the possibility that individualized investment choices would have produced a more positive result for a client than an approach where investments are made for a group of individuals with common characteristics.
- 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 IBN FSR 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. IBN FSR 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 accompany.
- 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.

- **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.
- **Short Sales.** “Short sales” are a way to implement a trade in a security IBN FSR 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. IBN FSR utilizes short sales only when the client’s risk tolerances permit.
- **Options.** The use of options transactions as an investment strategy involves a high level of inherent risk. Although the intent of many of the options-related transactions implemented by IBN FSR is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc.), may in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct IBN FSR, in writing, not to employ any or all such strategies for his/her/their/its accounts. Clients participating in the Options Strategy should carefully consider all information regarding the strategy and its risks prior to participating.
- **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 involves 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 IBN FSR selects individual equities and bonds 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 IBN FSR 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 IBN FSR. 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 IBN FSR may

adversely affect the client's account values, as IBN FSR'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 specific to sub-advisors and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ. Clients should carefully review the risks associated with each manager as such risks are disclosed in that firm's Form ADV and/or offering documents for the private placement, both of which are available from IBN FSR.
- **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.
- **Algorithms and Models.** When an investment manager develops a mathematical algorithm that identifies trigger points for the purpose of indicating a "buy" or "sell" signal, these trigger points are limited in that they are based on solely the data input into the algorithm. There is an unlimited amount of data that can be considered in making any given decision as to whether to buy or sell any given security. An algorithm, by design, ignores some data in favor of others. There is a risk that the data selected for the algorithm will not create a positive result, whereas other data, had it been considered, may do so.
- **REITs:** IBN FSR may recommend that 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:** IBN FSR may recommend that 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 IBN FSR any questions regarding the role of MLPs in their portfolio.

Item 9 Disciplinary Information

IBN Financial Services, Inc. has three disciplinary allegations against it.

12/01/2013 New York State Attorney General for Fraudulent sales of seven investment contracts totaling over \$329,094 resulting in losses of \$50,215.56. The result was a five-year ban from selling, marketing, brokering, or soliciting within New York secondary market pensions, life settlements, viatical settlements and similar investments. The assessment of a \$10,000 fine and disgorgement of commissions of \$13,035.29.

07/01/2014 Commonwealth of Pennsylvania Department of Banking and Securities stated IBN Financial Services, Inc. failed to reasonably supervise its agent whose continued registration in Pennsylvania was subject to a plan of heightened supervision. IBN agreed to a \$10,000 administrative assessment and legal costs of \$5,000. IBN entered into the subject consent order in lieu of litigation, without admitting or denying the allegations.

05/10/2017 On several occasions from December 2015 through September 2016 the firm conducted securities business while failing to maintain its required minimum net capital. The firm's net capital deficiencies on these dates ranged from \$1,277 to \$3,108 and resulted from the firm's failure to timely accrue for commission expenses. The firm was fined \$15,000. At no time was any client or employee in jeopardy.

Please check www.finra.org Broker Check for more information.

Item 10 Other Financial Industry Activities and Affiliations

Broker-dealer

IBN Financial Services, Inc. FINRA Broker Dealer is the owner of IBN Financial Services, Inc. Registered Investment Adviser

Futures Commission Merchant/Commodity Trading Advisor

Neither the principal of "IBNFNSR", 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.

Relationship with Related Persons

Certain professionals of "IBNFNSR" are separately licensed as independent insurance agents. As such, these professionals may conduct insurance product transactions for "IBNFNSR" clients, in their capacity as licensed insurance agents, and will receive customary commissions for these transactions in addition to any compensation received in his capacity as employees of "IBNFNSR". Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. These professionals therefore have incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage "IBNFNSR" or utilize these professionals to implement any insurance recommendations. "IBNFNSR" attempts to mitigate this conflict of interest by disclosing the conflict to clients and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with "IBNFNSR", or to determine not to purchase the insurance product at all. IBN FSR also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of "IBNFNSR", which requires that employees put the interests of clients ahead of their own.

Recommendations of other Advisers

See Item 8 regarding Third Party Managers.

In addition, “IBNFNSR” will recommend that clients utilize the proprietary strategies of “IBNADV”. While “IBNADV” will pay “IBNFNSR” a referral fee for making these recommendations, the conflict of interest exists by virtue of the two advisors being under common control. In other words, there is a financial incentive to recommend “IBNADV” over another manager. We attempt to mitigate this conflict by educating employees on their fiduciary obligation to place the client’s interests ahead of their own, and by disclosing the common control and financial incentive in this brochure.

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. “IBNFNSR” does not recommend to clients that they invest in any security in which “IBNFNSR” or any principal thereof has any financial interest.
- C. On occasion, an employee of “IBNFNSR” 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**Recommendation of Broker-Dealer**

“IBNFNSR” recommends that investment accounts be held in custody by the AXOS Clearing, Inc. “IBNFNSR” only uses AXOS to clear its trades. Their services include custody of securities, trade execution platforms, and access to research not available to the general public. All broker- dealer/custodians are wholly independent from “IBNFNSR”. It is expected that most, if not all, transactions in a given client account will be cleared through the custodian of that account in its capacity as a broker-dealer.

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 in house (not third-party) accounts are reviewed on an ongoing basis to check for anything over a 2% deviation in the models being traded. We will review all managers 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 "IBNFNSR" is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from their account custodian. Additionally, all clients will receive itemized bills from their custodian or third-party manager. 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.

Clients may be introduced to "IBNFNSR" via other third parties. In the event that "IBNFNSR" compensates any party for the referral of a client to "IBNFNSR", any such compensation will be paid by "IBNFNSR", and not the client. At this time "IBNFNSR" does not pay a referral fee to any other firm or individual. If the client is introduced to "IBNFNSR" by an unaffiliated third party, that third party will disclose to the client the referral arrangement with "IBNFNSR", including the compensation for the referral, and provide the client a copy of "IBNFNSR"'s ADV Part 2A and 2B. The referral source will also provide a written disclosure to the client regarding the relationship between "IBNFNSR" and the referral source, including the fact that referral fees will be paid.

Item 15 Custody

While some clients may request that a "IBNFNSR" representative assist them in reviewing household finances, at no time will a "IBNFNSR" representative have access to checks or bill paying services.

IBN FSR deducts fees from client accounts but would not have custody of client funds otherwise. Clients will receive statements directly from their custodian, and copies of all trade confirmations directly from their custodian.

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 also 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 quarterly report prepared by "IBNFNSR" against the information in the statements provided directly from their account custodian. Please alert us of any discrepancies.

Item 16 Investment Discretion

Please see response to Item 4 above regarding investment discretion.

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. "IBNFNSR" will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. "IBNFNSR" will not give clients advice on how to vote proxies.

For client assets managed by "IBNFNSR", "IBNFNSR" may accept proxy voting responsibility. Please see "IBNFNSR" Form ADV Part 2A, available upon request for more information.

Item 18 Financial Information

A. Balance Sheet

A balance sheet is not required to be provided because the Adviser does not serve as a custodian for client funds or securities and the Adviser does not require prepayment of fees of more than \$500 per client and six months or more in advance.

B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

The Adviser has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

C. Bankruptcy Petitions during the Past Ten Years

Neither the Adviser nor its management has had any bankruptcy petitions in the last ten years.

Item 19 Requirements for State-Registered Advisers

Part A

Please refer to the Part 2B attached.

Part B

Please refer to the Part 2B attached.

Part C

Please refer to the Part 2B attached.

Part D

Please refer to the Part 2B attached.

Part E

Please refer to the Part 2B attached.

There are three principals of IBN Financial Services, Inc., Richard J Carlesco Jr he is the CEO, CFO, Christopher R. Avery is COO, and Timothy E. Evans is CCO are shareholders.