

# DES MOINES INVESTMENTS

Item 1

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Form ADV 2A

Firm Brochure

November 2021

*This brochure provides information about the qualifications and business practices of Des Moines Investments. If you have any questions about the contents of this brochure, please contact us at 515-777-1149 or by email at: [dsmi@investdsmi.com](mailto:dsmi@investdsmi.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.*

*Des Moines Investments, LLC. is a SEC investment advisor. This does not include a certain skill or level of training.*

*Additional information about Des Moines Investments, LLC. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Des Moines Investments, LLC. CRD number is: 146322*

## Material Changes     Item 2

Des Moines Investments is required to advise you of any material changes to the ADV Part 2 Firm Brochure from the last filing.

In 2021 DSMI Form ADV Part 2 filed on the IARD system has had no material changes:

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## Advisory Business    Item 4

Mr. Harkin worked as a Commodity Broker for Commodity Service, Inc. in West Des Moines, IA from 1993 - 1994. In January 1996 to November 2006, he worked as an independent advisor under the broker dealer - American Express Financial Advisors. Early in his career he obtained the educational designations CFP, CLU, ChFC.

Fort Des Moines Financial Services, Inc. was established in November 2006 by Mr. Harkin. He joined Cambridge Investment Research as an Independent Advisor and began using TD Ameritrade as his sole Custodian of assets for all his accounts. Mr. Harkin is an Investment Advisory Representative and the principal owner. The company name was changed from Fort Des Moines Financial Services to Des Moines Investments prior to adding on advisor Sean Kimberley in August of 2020. Des Moines investments will be abbreviated as DSMI for the purpose of this brochure.

Fort Des Moines Financial Services registered as an investment advisor under the state of Iowa in 2008. Mr. Harkin resigned from Cambridge in November of 2014 keeping all his TD Ameritrade advisory accounts. Mr. Harkin is a registered investment advisor based in Des Moines and incorporated under laws of the State of Iowa and is subject to its compliance oversight with the SEC. DSMI is a fiduciary acting in his client's best interest.

### A. Investment Management Services

DSMI offers ongoing portfolio management services based on the goals, objectives, time horizon, and risk tolerance of each client. The company creates an investment profile for each client. It outlines the client's current situation looking at their income, debts and tax bracket. DSMI then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation.

DSMI notifies clients of investment updates and changes prior to or concurrent to making these updates through emails or voice messages. Accounts are discretionary.

### B. Financial Planning Services

Des Moines Investments offers financial planning and free investment advice for individuals and businesses to apply an appropriate investment strategy. This may be including, but not limited to, the topics of insurance, taxes, retirement, and estate planning.

### C. Wrap Fee Programs

Des Moines Investments does not participate in any wrap fee programs.

### D. Assets Under Management

As of February 7th, 2020, Des Moines Investments manages \$147,157,175 on a discretionary basis.

## Fees and Compensation    Item 5

The advisory fee is charged in arrears to each quarter. Annual management expenses assessed via DSMI on brokerage accounts will range from .80% to 1.10% per year. A typical account has 1/4<sup>th</sup> of one percent at the end of each quarter. This equates to an annual expense of 1.00% per year. Larger accounts are often assessed lower management charges in this range. Advisory fees are negotiable and can vary based on balances held, trading activity, and the need for ongoing reviews. DSMI does not have a fee schedule that is fixed or charted. New accounts start at an annual fee of 1.0% and can go downward.

As authorized in the DSMI client service agreement, the account custodian withdraws advisors' fees directly from the client's accounts according to the custodian's policies and procedures. Carefully review your monthly statements and verify your calculation of fees. The custodian does not verify the accuracy of fee calculations. Fees are paid from the default money market holdings in each account.

When client accounts are closed, they can be assessed quarterly management expenses up to the date the account is closed. Refunds are not applicable since fees are assessed in arrears. The advisory relationship can be terminated by either party with 10 business days of written notice.

## Performance-Based Fees and Side by Side Management Item 6

Performance-Based Fees and Side by Side Management are not allowed within this practice.

## Types of Clients Item 7

DSMI provides investment advice to: Individuals, Business Owners, and Trusts.

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

### A. Methods of Analysis & Investment Philosophy

Personalized investment advice is based upon the following considerations:

- Goals and Objectives
- Time Horizon
- Risk Tolerance
- Current and Future Income Needs
- Portfolio Diversification
- Tax Considerations
- Outside Investments and Retirement Plans
- Liquidity Requirements
- Inflation Protection

DSMI's investment philosophy is to be forward looking at the markets in relation to the economy, business cycle, and changing events. Mr. Harkin has CNBC on throughout the trading day and keeps abreast U.S. and global economies and highlighted investments.

### B. Investment Strategies

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Margin and short sale transactions are allowed but not encouraged

### C. Risks

Clients need to be aware there is a risk of loss when investing using any strategy. Note: this is not an all-inclusive list of the risks investors face.

**Market Risk-** The possibility of an investor experiencing losses due to factors that affect the overall performance of the financial markets in which he or she is involved. Market risk, also called "systematic risk," cannot be eliminated through diversification, though it can be hedged against in other ways.

**Foreign Securities and Currency Risk-** Refers to international and emerging market securities. Losses and gains on international transactions may incur due to currency fluctuations, foreign taxes and regulations. Potential for loss include illiquid markets, political instability and poor accounting standards.

**Capital Risk-** The potential of loss of part or all an investment. It applies to the whole gamut of assets that are not subject to a guarantee of full return of original capital. Investors face capital risk when they invest in stocks, non-

government bonds, real estate, commodities, and other alternative assets. Also, when a company invests in a project, it exposes itself to risk that the project will not produce future returns to cover its capital invested.

Interest Rate Risk- The risk that arises for bond owners from fluctuating interest rates. How much interest rate risk a bond has depends on how sensitive its price is to interest rate changes in the market. The sensitivity depends on two things, the bond's time to maturity, and the coupon rate of the bond.

## Disciplinary Information      Item 9

DSMI has had no disciplinary or legal actions of any kind in the financial services industry.

## Other Financial Industry Activities and Affiliations      Item 10

DSMI is not a representative of a broker / dealer, commodity trading or futures commission merchant commodity pool operator or commodity trading advisor. DSMI advisors are independent licensed insurance agents and will offer clients Term Insurance, Disability Coverage or Long-Term Care policies or provide advice in this area. These products do pay a commission and are a conflict of interest to its advisory business. DSMI will act in a fiduciary role to act in the best interest of the client. Clients are not required to use these insurance products or services with DSMI and can look elsewhere for this assistance. No third-party representatives are used.

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

### A. Code of Ethics

A Code of Ethics has been adopted by DSMI. It is the same Code of Ethics maintained by the CFP Board.

A CFP Planner professional must: Act with honesty, integrity, competence, and due diligence. They must act in the client's best interest and avoid or disclose conflicts of interest. They must maintain confidentiality and protect the privacy of client information.

This Code establishes rules of conduct for all access persons and supervised persons of DSMI and is designed to govern personal securities trading activities in the accounts of employees and supervised persons.

The Code is based upon the principle that DSMI, its access persons and supervised persons owe a fiduciary duty to the Firm's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid:

- Serving their own personal interests ahead of clients
- Any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by DSMI continue to be applied. The purpose of the Code is to preclude activities, which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

### B. DSMI Duty to Clients:

- Obtain best execution for a client's transactions
- Ensure that investment advice is suitable to meeting the client's objectives, needs interests and circumstances

The Firm's reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be damaged as the result of even a single securities transaction being considered questionable in light of the fiduciary duty owed to our clients.

Access persons and supervised persons are urged to seek the advice of David Harkin for any questions related to compliance, ethics, or business practices. They should also understand that a material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with DSMI.

## Brokerage Practices     Item 12

DSMI clears its trades via TD Ameritrade Institutional - a member FINRA/SIPC. DSMI asks that you used custodial and brokerage services of TD Ameritrade. Not all advisors request clients to use the same brokerage platform. TD Ameritrade is an independent SEC-registered broker dealer and is separate and unaffiliated with DSMI. TD Ameritrade offers services to independently registered investment advisors which include custody of securities, trade execution and transaction settlement. DSMI receives some benefits from TD Ameritrade through use of its institutional program. This is considered a conflict of interest.

DSMI does not have any soft dollar arrangements or referrals with any company.

DSMI and its advisor benefit in using TD Ameritrade as its custodian and transaction platform via these services:

- Free trades on domestic stocks and ETF's
- Software and secure website access
- Research reports, pricing information and other market data
- Facilitate payment of the firm's fees from its clients' accounts
- Retirement rules consulting
- Business succession support
- Regulatory, recordkeeping, and compliance support
- Monthly statements hard copy or electronic. Tax statements via mail.
- Alerts for money in/out, transfer status, order fills, client information updates
- Timelines of execution and accuracy
- Assistance in original issue – Preferred stocks
- No annual custodial fees nor client minimums to open an account
- Exceptional domestic call support service from Core West 3 Team.

When choosing a custodian, we consider a wide range of factors, including but not limited to:

- Ability to maintain online safety of client accounts
- Accuracy of account activity
- Business reputation and retirement expertise
- Ability to access a variety of market products
- Client's quick access to cash
- Ability to place trades in difficult market environments
- Correction of trading errors

### Types of Investments – Used by DSMI

- Exchange Traded Funds
- Common & Preferred Stocks
- Individual Bonds
- Publicly Traded Reits
- No Load Mutual Funds

ETFs, stocks, mutual funds, bonds, and money markets are subject to risk or loss of principal. Advisory accounts offer no FDIC protection. SIPC protection is up to \$500,000 per client for all accounts at TD Ameritrade. DSM provides tailored investment advice for each client and each account.

DSMI will work with the client's tax advisor to provide consolidated 1099 to help in their tax preparation. DSMI does not prepare taxes or provide legal advice. Please consult your tax advisor or attorney for this assistance.

## Review of Accounts    Item 13

Efforts are made to review managed accounts online quarterly. If a client is investing monthly, that account gets reviewed each time money comes in. A review may occur when news breaks on an individual stock or security that is owned by clients. Reviews may occur from both economic or political changes. Updates to a client's financial condition – job change, retirement or inheritance may be another reason for review. Face to face reviews are encouraged at least annually if time and distance are not an issue. Most transactions are engaged by phone and email messages. Advisor does not text or spend time on social media outlets. Clients can stop by during regular business hours with questions or concerns.

DSMI uses a client management cloud software system called Redtail to record notes of meetings, transactions and information related to client's accounts and financial situation. Mr. Harkin has used a client-based software since 1996. This record system is a key strength of DSMI in managing accounts. DSMI makes best effort to make notes after reviews and phone calls. We try to copy and paste electronic communications into separate client accounts for reviews. Mr. Harkin often email's screen shots of client positions as part of his reviews.

Monthly statements and tax reports are provided upon request. Clients with internet have daily access to their accounts and tax information via TD Ameritrade's website: [www.advisorclient.com](http://www.advisorclient.com). Clients can call TD Ameritrade Technology Help Desk with questions regarding their accounts online at (888) 613-2401 Option 3, 2.

## Client Referrals and Other Compensation    Item 14

DSMI will often provide a gift card to a local restaurant when a referral is given. This is based on having a meeting.

DSMI will provide, as needed, references or referrals to advisors or agents in related fields or practices ranging from property casualty, tax, mortgage, or legal services. DSMI seeks only to provide clients with competent experienced advice and does not back these companies or is provided support from them.

## Custody    Item 15

TD Ameritrade acts as the custodian for all DSMI assets. TD Advisory Accounts are set up without front end fees or surrender charges. Monthly paper or electronic statements are offered during account setup. All reports and statements, electronic or paper mailings are created and sent via custodian. Tax statements are mailed annually to clients in February. DSMI does not have or take physical custody of any client funds and/ or securities. The custodian will send monthly statements direct to you.

## Investment Discretion    Item 16

DSMI provides discretionary investment advisory services to clients. DSMI notifies clients of investment updates and changes prior to or concurrent to making these updates through emails or voice messages. DSMI generally manages the client's account and makes investment decisions on which securities are bought or sold, total amount of securities bought and sold, what securities to buy or sell or the price per share.

DSMI makes recommendations based on the needs of each client, as to specific securities bought and sold within accounts. Diversification is the key investment strategy our company wants to promote. DSMI investment advisors perform the transactions within each account. Clients should let DSMI know of types of investments they are not comfortable with or do not want in their portfolio.



## Voting Client Securities Item 17

At times clients will receive proxy or voting requests from companies specific to one of their holdings.

DSMI will not vote or complete proxy requests for any clients. DSMI will provide advice as needed in this area.

## Financial Information Item 18

DSMI does not require payment in advance. Fees are billed in arrears. DSMI does not need to provide a company balance sheet given it does not require prepayment of fees. There is no financial condition that currently or is expected to halt the contractual commitments to our clients.

## Requirements for State Registered Advisors Item 19

### Investment Adviser Brochure Supplement

Supervisor – David Harkin August 2020

This brochure supplement provides information about the Firm's Supervised Persons that supplements the Des Moines Investments brochure. You should have received a copy of that brochure. Please contact David Harkin, President, Chief Executive Officer and Chief Compliance Officer, at 515-777-1149 or [dsmi@investdsmi.com](mailto:dsmi@investdsmi.com) if you did not receive Des Moines Investments firm brochure or if you have any questions about the contents of this supplement.

Additional information about the Firm's Supervised Persons is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site using a unique identifying number, known as a CRD number 146322 for David Harkin and 2701092 for Matthew Sean Kimberley.

### Item 2: Educational Background and Business Experience

Des Moines Investments requires that advisers have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: CFP®, ChFC, or CLU. Additionally, advisers must have work experience that demonstrates their aptitude for financial planning and investment management.

Set forth below is further information regarding the education and business background of each Supervised Persons with the most significant responsibility for the day-to-day investment decisions made for, and investment advisory services provided to, Des Moines Investments advisory clients.

Supervisor Persons David Harkin

#### Business Background

11/11/2014 to Present DES MOINES INVESTMENTS, Chief Executive Officer and Chief Compliance Officer

07/11/2008 - 11/11/2014 CAMBRIDGE INVESTMENT RESEARCH Registered Representative

11/16/2006 - 07/10/2008 STONEFIELD INVESTMENT ADVISORY Registered Representative

01/22/1996 - 11/15/2006 AMERIPRISE FINANCIAL SERVICES Registered Representative

01/22/1996 - 07/03/2006 A. G. EDWARDS & SONS Registered Representative

09/08/1994 - 01/18/1995 EDWARD D. JONES & CO. Registered Representative

**Formal Education after High School**

Northeast Missouri State University – BS Marketing

**Professional Designations & Licenses**

Certified Financial Planner (CFP®)

Chartered Life Underwriter (CLU®)

Chartered Financial Consultant (ChFC)

**Product Exams**

Series 6, Series 7, Series 3

**Item 3: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

**Item 4: Other Business Activities**

David Harkin is a licensed insurance agent. From time to time, he will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products can conflict with the fiduciary duties of an Investment Adviser Representative. Des Moines Investments always acts in the best interest of the client, including in the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Des Moines Investments in their capacity as a licensed insurance agent.

**Item 5: Additional Compensation**

David Harkin does not receive any economic benefit from any person, company, or organization, other than DSMI for services.

**Item 6: Supervision**

As the Chief Compliance Officer of DSMI, David Harkin supervises all activities of the firm.