

**ITEM 1. COVER PAGE**

**Wrap fee program Brochure  
Form ADV Part 2A – Appendix 1**



**GRYPHON**  
FINANCIAL PARTNERS

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**September 17, 2021**

**This Wrap Fee Program Brochure provides information about the qualifications and business practices of Gryphon Financial Partners, LLC. If you have any questions about the contents of this brochure, please contact us at [guthteam@gryphonfp.com](mailto:guthteam@gryphonfp.com) or 614-929-2880. 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.**

**Gryphon Financial Partners, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.**

**Additional information about Gryphon Financial Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Gryphon Financial Partners, LLC's CRD number is 288210.**

## **ITEM 2. SUMMARY OF MATERIAL CHANGES**

The previous annual update of this brochure occurred on March 25, 2020. As part of the annual update of this brochure dated March 17, 2021, there were no material changes to this brochure.

In addition, on September 17, 2021, this brochure was revised to reflect the following material change:

### **ITEM 9.A –Disciplinary Information; Other Financial Industry Activities –**

Item 9.A. was amended to include information regarding certain representatives of Gryphon Financial Partners also serving as registered representatives of the unaffiliated broker-dealer Ausdal Financial Partners. The amendment describes this relationship and conflicts of interest related to this relationship.

Item 9.A. was also amended to include information regarding certain representatives of Gryphon Financial Partners also serving as licensed insurance agents. The amendment describes this relationship and conflicts of interest related to this relationship.

### ITEM 3. TABLE OF CONTENTS

Item 1: Cover Page.....	1
Item 2: Summary of Material Changes .....	2
Item 3: Table of Contents .....	3
Item 4: Services, Fees, and Compensation .....	4
Item 5: Account Requirements and Types of Clients .....	5
Item 6: Portfolio Manager Selection and Evaluation .....	5
Item 7: Client Information Provided to Portfolio Manager.....	11
Item 8: Client Contact with Portfolio Managers .....	12
Item 9: Additional Information .....	12

## **ITEM 4. SERVICES, FEES AND COMPENSATION**

### **ITEM 4.A - Asset Management Wrap Fee Program**

Gryphon Financial Partners (“Gryphon”, “Firm”, “we”, “us”, “our”, or similar references) is the sponsor of a wrap fee program. We emphasize continuous and regular account supervision. As part of our wrap asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if determined necessary, rebalance the portfolio based upon the client’s individual needs, stated goals, and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

Our firm’s annual fees for investment management services shall be calculated at up to a maximum of one-and-a-half percent (1.5%) of all assets under management.

For new accounts, the advisory fee for the initial quarter will be pro-rated based on the initial value and the number of days remaining in the quarter. An initial value less than \$100,000 is excluded from billing for this initial, pro-rated quarter.

For subsequent quarters, for those accounts with forward billing, the advisory fee will be billed in advance, based on the previous quarter’s ending billable value.

For capital inflows of \$100,000 and above, the advisory fee will be pro-rated based on the value of the capital inflow and the number of days remaining in the quarter.

The advisory fees for the initial quarter on new accounts and capital inflows are charged at the same time as the advisory fees for the subsequent quarter.

Advisory fees include execution costs for brokerage transactions.

Advisory fees will be deducted from the client’s account at an independent qualified custodian upon their written authorization. In rare cases, Gryphon will agree to directly bill clients. As part of this process, clients understand and acknowledge the following:

- the client’s independent custodian sends statements at least quarterly showing all disbursements for the account, including the amount of the advisory fees paid to Gryphon;
- the client provides authorization permitting Gryphon to be directly paid by these terms;
- if Gryphon sends a copy of an invoice to the client, Gryphon will also send a copy of the invoice to the independent custodian;
- if Gryphon sends a copy of an invoice to the client, the invoice will include a legend that urges the client to compare information provided in their invoice with statements received from the qualified custodian.

### **ITEM 4.B - Relative Cost of the Program**

In a wrap fee program, clients pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management, and the fee is not based directly upon transactions in a client’s account. Management fees are bundled with the costs for executing transactions in client accounts. This may result in a

higher advisory fee to clients. Gryphon does not charge clients higher management fees based on trading activity, but clients should be aware that Gryphon may have an incentive to limit trading activities in client accounts because Gryphon is charged for executed trades. By participating in a wrap fee program, clients may end up paying more or less than clients would through a non-wrap fee program where a lower advisory fee might be charged, but the executing broker passes trade execution costs directly to clients.

#### **ITEM 4.C - Additional Fees**

Clients may pay charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from the custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within Gryphon's wrap fees.

### **ITEM 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

We provide investment advice to individuals, retirement plans, trusts, estates, corporations and other business entities. We typically do not impose a minimum account size or a set minimum annual fee for our investment management services. Some services and fee structures may not be beneficial for portfolios below \$1,000,000 due to the impact that trading and transaction costs may have on performance. We negotiate fees on a client-by-client basis.

Clients participating in programs offered by Charles Schwab & Company ("Schwab"), Fidelity Brokerage Services, LLC's ("Fidelity"), and Envestnet Asset Management, Inc.'s ("Envestnet") may include endowments, foundations, retirement plans, corporations, individuals, and other entities. The minimum account size for programs offered by Schwab, Fidelity, or Envestnet is \$100,000, but is negotiable.

### **ITEM 6. PORTFOLIO MANAGER SELECTION AND EVALUATION**

#### **ITEM 6.A – Selection and Review of Portfolio Managers**

Client's investment portfolios are managed either by Gryphon personnel or outside portfolio managers. We primarily use outside portfolio managers that are provided by Schwab, Fidelity, and Envestnet platforms. Gryphon selects and reviews outside portfolio managers based on the following factors:

- past performance;
- cost;
- investment philosophy;
- market outlook;
- experience of portfolio managers and executive team;
- opinions of third party analysts;
- disciplinary, legal and regulatory histories of the firm and its associates; and
- whether established compliance procedures are in place to address at a minimum, insider trading, conflicts of interest, anti-money laundering.

Gryphon does not calculate portfolio manager performance. Instead, Gryphon relies upon the performance figures based on the client's account statements or reports provided to Gryphon by the outside portfolio managers.

Gryphon does, however, watch for several types of events in conjunction with poor performance. These events trigger an in-depth review of an outside portfolio manager and primarily include:

- significant changes in asset allocation;
- substantial drift in investment style; and/or
- sustained under-performance.

Gryphon does not verify the accuracy of such performance information or its compliance with presentation standards. As a result, performance information may not be calculated on a uniform and consistent basis.

We also offer advisory management services to our clients through third party money manager Envestnet Asset Management, Inc. (Envestnet) to utilize their Unified Managed Account (UMA). The UMA enables us to create custom models to hold separate account managers, third party strategists, mutual funds, and ETF's. The accounts will be traded by Envestnet on an opportunistic basis. For example, when cash is low or additional contributions are made, the account will be rebalanced to its target allocation.

**ITEM 6.B – Advisory Business, Performance-Based Fees and Side-By-Side Management, Methods of Analysis, Investment Strategies And Risk Of Loss, And Voting Client Securities**

Gryphon personnel act as portfolio managers for this wrap fee program. This may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than Gryphon for similar services. Outside portfolio managers are not related persons of the Gryphon.

**ITEM 6.B1 – Advisory Business**

See Item 4 of this Wrap Fee Program Brochure for a full description of Gryphon's wrap fee program. Gryphon offers individualized investment advice to clients. Clients have the opportunity to place reasonable restrictions on the types of investments to be held in their portfolio. However, restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

**ITEM 6.B2 – Performance-Based Fees and Side-By-Side Management**

We do not charge performance-based fees to our clients.

**ITEM 6.B3 – Methods of Analysis, Investment Strategies and Risk Of Loss**

Gryphon's primary method of analysis or strategy is long term purchases. Long term purchases is a strategy in which investments (such as stocks, bonds, mutual funds) are bought and held for a long period, which is generally at least one year or more. Generally, this strategy is not influenced by short term market fluctuations because the approach rests upon the assumption that long term prices will go up because of an expanding economy with profits, dividends and increased stock prices. Long term purchases minimize portfolio turnover which can reduce trading costs and taxes can be reduced or deferred on non-qualified accounts. Some of the risks involved with using this method include short term market volatility causing investor concern, risk of loss when the asset is sold, market or company volatility, or loss. Investments carry a risk of loss of principal, earnings or both. Past performance is not a guarantee of future performance.

**ITEM 6.B3(a) – Methods of Analysis**

We have hired third party consultants to assist with asset allocation, research, and investment recommendations. We also use many tools, such as Morningstar, BCA, Thompson One, and others to assist us with research. We have an investment committee that meets quarterly. Our investment committee includes all Gryphon Investment Adviser

Representatives, our consultant Asset Consulting Group, and a retired business owner, who is a client, with over 30 years of experience in advisory, debt and equity capital services. We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Fundamental Analysis** – Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- **Charting and Technical Analysis** – Charting analysis involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Technical analysis involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- **Asset Allocation** - Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

#### **ITEM 6.B3(b) – Investment Strategies**

- **Long Term Purchases** – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short Term Purchases** – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

- **Margin Transactions** – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.
- **Options Trading**- a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Margin accounts present special risks because you can lose more money than you deposit in your account. Additionally, the custodian can force the sale of securities in your account and can sell securities without contacting you.

The trading of options may be highly speculative and may entail more risk than those present when investing in other types of securities. Prices of options are generally more volatile than prices of other types of securities. When trading in options, you may run the risk of losing the entire investment in a relatively short period of time. In more risky options strategies, an investor could theoretically have an unlimited risk of loss.

We may use investment strategies that involve buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we



strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

This is not intended to be an all-inclusive list.

#### **ITEM 6.B3(c) – Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Additional risks involved in the securities recommended and the advisory services provided by Gryphon may include, among others:

- **Stock Market Risk** - the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- **Sector Risk** - the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- **Foreign (Non-US) Investment Risk** - the risk that investing in foreign securities may result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Risks associated with investing in foreign securities include fluctuations in the exchange rates of foreign currencies that may affect the U.S. dollar value of a security, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in the U.S. markets.
- **Interest Rate Risk** - the chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- **Exchange Traded Fund (ETF) Risk** - the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their

net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.

- **Management Risk** - the risk that the investment techniques and risk analyses applied by Gryphon may not produce the desired results and that legislative, regulatory, or tax developments, may affect the investment techniques available to Gryphon. There is no guarantee that a client's investment objectives will be achieved.
- **Investment Companies ("Mutual Funds") Risk** – the risk when an investor invests in mutual funds. The investor will bear additional expenses based on his/her pro rata share of the mutual fund's operating expenses, including the management fees. The risk of owning a mutual fund generally reflects the risks of owning the underlying investments the mutual fund holds.
- **Alternative Investments / Private Funds Risk** – the risk investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:
  - loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices;
  - lack of liquidity in that there may be no secondary market for the investment and none expected to develop;
  - volatility of returns;
  - restrictions on transferring interests in the investment;
  - potential lack of diversification and resulting higher risk due to concentration of trading authority when a single adviser is utilized;
  - absence of information regarding valuations and pricing;
  - delays in tax reporting;
  - less regulation and higher fees than mutual funds;
  - risks associated with the operations, personnel, and processes of the manager of the funds investing in alternative investments.
- **Cybersecurity Risk** - the risk related to unauthorized access to the systems and networks of Gryphon and its service providers. The computer systems, networks and devices used by Gryphon and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks or devices potentially can be breached. A client could be

negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or other compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issues of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers and other financial institutions; and other parties. In addition, substantial costs may be incurred by those entities in order to prevent any cybersecurity breaches in the future.

#### **ITEM 6.B4 – Voting Client Securities**

We have adopted and implemented proxy voting policies and guidelines to ensure that Gryphon, as fiduciary, votes any proxy or other beneficial interest in an equity security or mutual fund over which Gryphon has proxy voting authority prudently and solely in the best interest of advisory clients and their beneficiaries considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote. If the client requests information regarding the voting of proxies or wants a copy of the proxy voting policy and guidelines, the client should contact Gryphon at 614-929-2880.

- **Class Action Lawsuits** - From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. We have no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. We also have no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, we have no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held by clients.

When we receive written or electronic notice of a class action lawsuit, settlement or verdict affecting securities owned by a client, we will forward all notices, proof of claim forms and other materials, to the client. Electronic mail is acceptable where appropriate, and the client has authorized contact in this manner.

#### **ITEM 7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

Client's portfolios will be managed by Gryphon personnel or outside portfolio managers. Gryphon communicates with outside portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, etc.) to ensure the client's most current investment goals and objectives are understood by the portfolio manager(s).

Outside portfolio managers have access to the information provided by clients at account opening. Gryphon will communicate such information for the ongoing management and trading of the account. Please refer to any outside portfolio manager's privacy policy if clients are concerned about the privacy of any non-public information an outside portfolio manager retains.

#### **ITEM 8. CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Clients are always free to directly contact portfolio manager(s) with any questions or concerns they have about their portfolios or other matters.

#### **ITEM 9. ADDITIONAL INFORMATION**

##### **ITEM 9.A –Disciplinary Information; Other Financial Industry Activities**

Gryphon does not have any disciplinary information to disclose.

- **Gryphon Capital Partners, LLC** – The Firm is a managing member of Gryphon Capital Partners, LLC ("GCP"), and certain Firm personnel serve as officers of GCP. GCP serves as the manager of Gryphon AC Hotel, LLC. The sole purpose of Gryphon AC Hotel, LLC is to invest in P&S Gryphon Equity, LLC, an Ohio limited liability company, whose sole purpose is to build, construct, and operate an AC Marriott hotel. The Firm's status as managing member, as well as firm personnel serving as officers of GCP, presents a conflict of interest in that Gryphon personnel have an incentive to recommend that Gryphon clients invest in Gryphon AC Hotel, LLC. Gryphon addresses this conflict through this disclosure. In addition, investment in Gryphon AC Hotel, LLC will be recommended to only advisory clients for whom Gryphon determines that such an investment is suitable.
- **Gryphon Normandy Partners, LLC** - The Firm is the managing member of Gryphon Normandy Partners, LLC ("GNP"), and certain Firm personnel serve as officers of GNP. GNP serves as the manager of GREC Long Street Partners, LLC. The sole purpose of GREC Long Street Partners, LLC is to invest in CR Long Street Owner, LLC, a Delaware limited liability company, whose sole purpose is to acquire and operate a portfolio of four Class A apartment buildings, consisting of 268-units in downtown Columbus, Ohio. The Firm's status as managing member, as well as Firm personnel serving as officers of GNP, presents a conflict of interest in that Gryphon personnel have an incentive to recommend that Gryphon clients invest in GREC Long Street Partners, LLC. Gryphon addresses this conflict through this disclosure. In addition, investment in GREC Long Street Partners, LLC will be recommended to only advisory clients for whom Gryphon determines that such an investment is suitable.
- **Gryphon Normandy Manager, LLC** - The Firm is an affiliate of Gryphon Normandy Manager, LLC ("GNM") and certain Firm personnel serve as manager and/or members of GNM. GNM has 30% ownership in Long Street Manager, LLC ("LSM"), an Ohio limited liability company. LSM serves as the sponsor member and manager of CR Long Street Owner, LLC. LSM will manage the operations of CR Long Street Owner, LLC in accordance with an approved annual plan, including an operating budget, with ability to make the day-to-day decisions of CR Long Street Owner, LLC. The Firm's status as an affiliate, as well as Firm personnel serving as members of GNM, presents a conflict of interest in that Gryphon personnel have an incentive to recommend that Gryphon clients invest in GREC Long Street Partners, LLC. Gryphon addresses this conflict through this disclosure. In addition, investment in GREC Long Street Partners, LLC will be recommended to only advisory clients for whom Gryphon determines that such an investment is suitable.

- **Gryphon Personnel as Registered Representatives of Ausdal** – Certain representatives of the Firm are also registered representatives of Ausdal Financial Partners (“Ausdal”). Ausdal is a registered broker-dealer and member of FINRA. In this capacity, such representatives of the Firm offer securities or alternative investments and receive normal and customary fees or commissions as a result of these transactions. In addition, these individuals receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment. As a result of this relationship, Ausdal has access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients, even if a client does not establish an account through Ausdal. If you would like a copy of the Ausdal privacy policy, please contact the Firm as described on the cover page of this brochure.

Clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest, and may affect the judgment of these individuals when making recommendations. The Firm and Ausdal are separate, nonaffiliated entities. Nevertheless, to the extent that a Firm representative recommends the purchase of securities or other investment products where the representative receives commissions for doing so, a conflict of interest exists because the representative is incentivized to make recommendations based on the compensation received rather than on a client's needs. The Firm has adopted certain procedures designed to mitigate the effects of this conflict. As part of the Firm's fiduciary duty to clients, the Firm and its representatives endeavor at all times to put the interests of clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of clients. Additionally, the conflicts presented by this relationship are disclosed to clients through this brochure, client agreement and/or verbally prior to or at the time of entering into an agreement. Clients are not obligated to implement recommended transactions through any Firm representative or any particular broker-dealer. Clients have the option to purchase any recommended investment through broker-dealers other than Ausdal.

Clients of the Firm should understand that lower fees and/or commissions for comparable services may be available from other broker-dealers.

- **Licensed Insurance Agents** - Certain of our financial professionals are also licensed insurance agents and in that capacity may recommend the purchase of certain insurance products to our clients. These financial professionals earn commissions for the sale of insurance products and, therefore, this presents a conflict of interest because these financial professionals in their role as insurance agents are incentivized to make insurance product recommendations based on the compensation received rather than on a client's needs. As part of Gryphon's fiduciary duty to clients, Gryphon and its representatives endeavor at all times to put the interests of clients first, and recommendations relating to insurance products will only be made to the extent that they are reasonably believed to be in the best interests of clients. Additionally, the conflicts presented by this relationship are disclosed to clients through this brochure, client agreement and/or verbally prior to or at the time of entering into an Agreement. Clients are not obligated to implement recommended insurance product purchases through any Gryphon representative or any particular insurance agent. Clients have the option to purchase any recommended insurance products through insurance agents other than insurance licensed Gryphon financial professionals.

## **ITEM 9.B – Code of Ethics; Review of Accounts; Client Referrals and Other Compensation; And Financial Information**

### **ITEM 9.B1 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading Code of Ethics**

We recognize that the personal investment transactions of the associated persons of the Firm present potential conflicts of interest with the price obtained in client securities transactions or the investment opportunity available to clients and, therefore, necessitates the implementation and adherence to a robust set of values, or Code of Ethics. We have adopted such a Code that sets forth the standards of conduct expected of our associated persons and requires compliance with applicable securities laws (“Code of Ethics”). In accordance with Section 204A of the Investment Advisers Act of 1940 (the “Advisers Act”), our Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by any of our associated persons. The Code of Ethics also requires that certain personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

The Code also requires Gryphon personnel to report any violations of the Code promptly to Gryphon’s Chief Compliance Officer. All Gryphon personnel receive a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, Gryphon personnel must certify that they have complied with the Code during the year.

A copy of our Code of Ethics is available upon request to any of our clients or prospective clients. If you would like a copy, please contact our Chief Compliance Officer at 614-929-2880.

### **ITEM 9.B2 – Review of accounts**

Your accounts are under review by our investment professionals. Portfolio reviews are conducted to judge the appropriateness of securities held in your account. Accounts may be reviewed if there is an extraordinary event such as abnormal performance of a mutual fund or individual equity, if there is a change in a mutual fund manager or if there is a significant market swing. Each Gryphon investment adviser representative reviews his/her accounts. The custodians will send monthly/quarterly statements.

### **ITEM 9.B3 – Client referrals and other compensation**

- **Suggestion of Brokers to Clients** - We generally recommend but do not require that clients establish brokerage accounts with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, “Fidelity”) a securities broker-dealer and a member of the New York Stock Exchange and the Securities Investor Protection Corporation (SIPC) through which Fidelity provides us with “institutional platform services” or the Schwab Advisor Services of Charles Schwab & Co., Inc. (“Schwab”), a FINRA registered broker-dealer, member SIPC. Both Fidelity and Schwab (“Custodian”) maintain custody of clients’ assets and effect trades for client accounts. Each Custodian’s institutional platform services include, among others, brokerage, custody, and other related services. Custodian’s institutional platform services that assist us in managing and administering clients’ accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements);

(ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from client accounts; and (v) assist with back-office functions, recordkeeping, and client reporting. We are independently operated and owned and are not affiliated with Custodian.

We recommend each Custodian's brokerage and custodial services because we believe that each Custodian provides quality execution services at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by each Custodian, including the value of research provided, their reputation, execution capabilities, commission rates, and responsiveness to our clients and us.

We may receive from each Custodian, without cost, computer software and related systems support, which may allow us to better monitor client accounts maintained at each Custodian. We may receive the software at no cost, because we render investment management services to clients that maintain accounts at each Custodian whose aggregate total assets at each Custodian exceed the established minimum required in order for an investment adviser to receive the software without cost. In addition, each Custodian may provide for discounts of other purchased software that permits us to better advise the Clients on their investments. We and/or Investment Adviser Representatives may receive

benefits such as assistance with conferences and educational meetings from product sponsors.

Clients and future clients should be aware, however, that the receipt of the above benefits by Gryphon in and of itself creates a potential conflict of interest and may indirectly influence the Firm's recommendation to clients to utilize the Custodian's for custody and brokerage services.

- **Directed Brokerage** - In limited circumstances, and at our discretion, some clients may instruct us to use one or more particular brokers for the transactions in their accounts. If you choose to direct us to use a particular broker, you should understand that this might prevent us from aggregating trades with other client accounts. This practice may also prevent us from obtaining favorable net price and execution, and subject you to trading costs that are not included within, and, therefore, are in addition to, the wrap program fee. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.
- **Block Trades** - We or sub-advisors/third-party managers we use may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). When orders are aggregated, we will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs.

Accounts owned by us or persons associated with us may participate in block trading with your accounts; however, they will not be given preferential treatment.

In the event orders are not aggregated, clients may receive different prices for the same securities transactions. Furthermore, you may not be able to buy or sell the same quantity of securities and may be charged higher fees or commissions, than if transactions were aggregated.

- **Trade Errors** - In the event of trading errors caused by us, it is our policy to make our clients whole and to document errors in our trade error file. If a trade error results in a profit, the trade error net gain will be maintained by your Custodian, Fidelity or Schwab, and you will not keep the profit. If the gain is more than \$100, your Custodian will donate the gain to a charity of our choice. If the gain is less than \$100, your Custodian will keep the gain to minimize and offset its administrative time and expense.
- **Solicitors** - Adviser does not have an arrangement under which it or its associated persons compensate others for client referrals.

#### **Item 9.B4 – Financial information**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As an advisory firm that maintains discretionary authority for client accounts and is deemed to have custody of some assets, we are also

required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. We have no additional financial circumstances to report.

- **Confidentiality**

Regulation S-P requires Gryphon to adopt policies and procedures reasonably designed to (a) ensure the security and confidentiality of client records and information; (b) protect against any anticipated threats or hazards to the security or integrity of client records and information; and (c) protect against unauthorized access to or use of client records or information that could result in substantial harm or inconvenience to any client. Gryphon further is required to provide an initial privacy notice to its clients and describe in the notices the conditions under which Gryphon may disclose nonpublic personal information about consumers to nonaffiliated third parties. Gryphon is also required to send its privacy notice to clients when it makes a change to its privacy policy.

Gryphon's privacy policies are as follows: (1) we do not sell or give client's personal information to anyone except as indicated in our Privacy Notice; (2) we do not disclose personal information to third parties except as described in our Privacy Notice; (3) we collect personal information in the normal course of business in order to administer clients' accounts and serve them better. We collect information that clients provide to us when they initially open an account with Schwab. We also collect information that clients provide us when preparing a financial plan for them. The information we collect may include, but not be limited to, a client's name, address, phone number, social security number, beneficiary data, name and address of accountant and/or attorney and detailed investment data; (4) we protect the confidentiality and security of all clients' personal information. We restrict access to personal information to our employees for business purposes only. All employees are trained and required to



safeguard such information. We maintain physical, electronic and procedural safeguards to protect client's personal information; (5) we continually evaluate our efforts to protect client's personal information and to keep it accurate and up-to-date. If a client identifies an inaccuracy in his or her personal information, or needs to make a change to that information, we request that he or she contact us so that we may promptly update our records; and (6) we provide notice of changes in the privacy policy. If at any time it becomes necessary to disclose client personal information in a way that is inconsistent with our Privacy Notice, we give the client advance notice of the disclosure so that the client will have the opportunity to opt out of such disclosure, if desired.

Each client is provided a copy of our Privacy Notice upon becoming a client and when we change our privacy policy.