

**Part 2A of Form ADV: *Firm Brochure***

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This brochure provides information about the qualifications and business practices of Klein Pavlis & Peasley Financial, Inc. If you have any questions about the contents of this brochure, please contact us at 800-557-5461 or [jtopor@kppfinancial.com](mailto:jtopor@kppfinancial.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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Klein Pavlis & Peasley Financial, Inc. 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. Our firm's CRD number is 112414.

**Item 2 Material Changes**

The material changes in this brochure from the last annual updating amendment of Klein Pavlis & Peasley Financial, Inc. on 03/05/2021 are described below. Material changes relate to Klein Pavlis & Peasley Financial, Inc.'s policies, practices or conflicts of interests.

- Klein Pavlis & Peasley Financial, Inc. has updated their Primary Office Address (Front Page).
- Klein Pavlis & Peasley Financial, Inc.'s Chief Compliance Officer is Jason Topor.
- Klein Pavlis & Peasley Financial, Inc. has updated Fees and Compensation (Item 5).
- Klein Pavlis & Peasley Financial, Inc. has updated Other Financial Industry Activities and Affiliations (Item 10).
- Klein Pavlis & Peasley Financial, Inc. has updated Review of Accounts (Item 13).
- Klein Pavlis & Peasley Financial, Inc. has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.
- Klein Pavlis & Peasley Financial, Inc. has added Written Acknowledgement of Fiduciary Status (Item 4).

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#### **Item 4 Advisory Business**

Klein Pavlis & Peasley Financial, Inc. is a state-registered investment adviser with its principal place of business located in California. Klein Pavlis & Peasley Financial, Inc. began conducting business in 1994.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Stephan Glenn Peasley

Klein Pavlis & Peasley Financial, Inc. offers the following advisory services to our clients:

Our firm provides continuous portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Through personal discussions with the client in which the client's goals and objectives are established, we initially determine whether the model portfolio is suitable to the client's circumstances. Once we confirm suitability, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients retain individual ownership of all securities.

We manage these advisory accounts on a discretionary basis. Each day, client portfolio holdings are reviewed in light of the client's stated investment objectives, financial needs, and overall market performance. In addition, the reviewers analyze daily the general economic, political and market trends, which might impact customer portfolio holdings. Each position held in the account is evaluated daily, taking into account market conditions as well as other available investment alternatives.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Mutual fund shares
- United States governmental securities
- Option Contracts on Securities

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

#### **ESTATE PLANNING**

Klein Pavlis & Peasley Financial, Inc. offers Estate Planning services included as part of our ongoing investment management services to our clients that consists of education on estate planning topics and the collection of general information necessary to complete a new estate plan or review a current estate plan. For clients engaging in investment management services with our firm, there is no separate fee for estate planning services. Our firm utilizes the services of Trust & Will, a third-party digital estate planning service for clients who have the need for estate planning review, creation or updates

#### **PUBLICATION OF PERIODICALS**

Klein Pavlis & Peasley Financial, Inc. publishes a weekly newsletter providing general information on various financial topics including, but not limited to, estate and retirement planning, market trends, etc.

The information provided does not purport to meet the objectives or needs of any individual. This newsletter is distributed free of charge to our advisory clients and is available to non-clients for a subscription fee of \$19 per month or \$199 for one year. There is a one month money back guarantee and the subscription can be canceled at any time. We also provide a free subscription for weekly emails covering a variety of financial topics.

## **WRITTEN ACKNOWLEDGEMENT OF FIDUCIARY STATUS**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## **AMOUNT OF MANAGED ASSETS**

As of 12/2021, we were actively managing \$ 133,762,476 of client assets on a discretionary basis and \$ 0 on a non-discretionary assets under management.

## **Item 5 Fees and Compensation**

### **PORTFOLIO MANAGEMENT SERVICES FEES**

Fees are deducted from accounts after the end of each quarter.

The annualized fee for Portfolio Management Services will be charged as a percentage of assets under management, according to the following schedule:

<b>Dynamic Growth/ Disciplined Equity Program Assets Under Management (AUM)</b>	<b>Annual Fee X AUM</b>	<b>Quarterly Fee X AUM</b>
\$0-\$249,999	2.4%	.60%
\$250,000-\$499,999	2.2%	.55%
\$500,000-\$749,999	2.0%	.50%
\$750,000-\$999,999	1.8%	.45%
\$1,000,000 and over	1.6%	.40%

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### Dynamic Growth

This strategy utilizes stocks, exchange traded funds, closed end funds and American Depository Receipts to gain exposure to companies and asset classes that demonstrate good value and strength. This investment strategy allows us to be aggressive in bull market phases and transition to a defensive stance when bear market periods appear. We will short the market and raise significant cash levels when deemed appropriate.

### Discipline Equity

This strategy offers consistent exposure to the equity markets by focusing on only high-quality companies listed on US exchanges. Although the portfolio is concentrated, we limit exposure to any one sector of the market.

<b>Balanced Income Program</b>	<b>Annual Fee X</b>	<b>Quarterly Fee X</b>
<b>Assets Under Management (AUM)</b>	<b>AUM</b>	<b>AUM</b>
\$0-\$499,999	1.6%	.40%
\$500,000-\$749,999	1.4%	.35%
\$750,000-\$999,999	1.2%	.30%
\$1,000,000 and over	1.0%	.25%

### Balanced Income

This investment approach primarily focuses on attaining an income stream through stable dividend paying companies and quality corporate bonds. We will also purchase other income producing securities such as preferred shares or treasury bonds and notes. The equity-to-bond mix will range between 40-60 percent depending on the investment environment.

<b>Stable Income Program</b>	<b>Annual Fee X</b>	<b>Quarterly Fee</b>
<b>Assets Under Management (AUM)</b>	<b>AUM</b>	<b>X AUM</b>
All Assets	0.75%	0.1875%

### Stable Income

The strategy provides an opportunity to invest in quality fixed income securities. The Stable Income program maintains a diversified allocation of liquid corporate bonds as the investment vehicle to drive the income and reduce exposure to market swings, protecting capital as a long-term investor.

<b>Equity Income Plus Program</b>	<b>Annual Fee X</b>	<b>Quarterly Fee</b>
<b>Assets Under Management (AUM)</b>	<b>AUM</b>	<b>X AUM</b>
\$0 - \$499,999	2.2%	0.55%
\$500,000 - \$749,999	2.0%	0.50%
a750,000 – \$999,999	1.8%	0.45%
\$1,000,000 and over	1.6%	0.40%

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Equity Income +

This strategy only holds dividend paying stocks and adds an extra boost of income by writing covered calls on those positions. Our goal is to add consistent income from dividends and option premiums while also participating in equity appreciation.

The annual management fees exceed the 2% industry standard in Washington.

A minimum of **\$150,000.00 to \$500,000.00** of assets under management is required for this service depending on the program selected. This account size may be negotiable under certain circumstances.

Klein Pavlis & Peasley Financial, Inc. may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

***Limited Negotiability of Advisory Fees:*** Although Klein Pavlis & Peasley Financial, Inc. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client by client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

These fees are negotiable and are paid by credit card via Stripe.

## **PUBLICATION OF PERIODICALS OR NEWSLETTERS**

Klein Pavlis & Peasley Financial, Inc. charges a subscription fee of \$199 annually or \$19 monthly. The subscription fee is waived for advisory clients of our firm.

## **ONLINE EDUCATIONAL CLASSES**

Klein Pavlis & Peasley Financial, Inc. provides weekly online educational classes to clients and the general public. The class is called Investtalk Academy and costs \$79 per monthly. Fees are monthly by credit card via Stripe.

## **GENERAL INFORMATION**

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account we will pro rate the final management fees according to the number of days the account was actually managed. If the appropriate disclosures statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding. By either party giving verbal or written notice to the other



party specifying the date of termination. Verbal notice must be followed by written confirmation within 14 days. Management fees will be pro-rated as of the termination date and will be deducted from the account by the Clearing Firm

***Mutual Fund Fees:*** All fees paid to Klein Pavlis & Peasley Financial, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. 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. We do not invest in mutual funds that have sales charges. We only invest in no-load mutual funds. A client could invest in a mutual fund directly without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual 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 our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to any transaction charges (commissions) imposed by a broker dealer with which an independent investment manager effects transactions for the client's accounts). Please refer to the "Brokerage Practices" section (Item 12) of the Form ADV for additional information.

***ERISA Accounts:*** Klein Pavlis & Peasley Financial, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we accept, require or solicit prepayment of fees.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Klein Pavlis & Peasley Financial, Inc. does not charge performance based fees.

## **Item 7 Types of Clients**

Klein Pavlis & Peasley Financial, Inc. provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Corporations or other businesses not listed above

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when and how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

**Short term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

**Trading.** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

**Short sales.** We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date. Those borrowed shares are then sold. At a future date, we

buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

**Margin transactions.** We may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

**Option Writing.** This is a program designed to grow portfolio value while taking less risk by the use of options to generate income. Cash secured, in the money and out of the money call options will be sold on attractive highly liquid stocks. The goal is to capture the option value decay that tends to hurt the buyer and rewards the sellers of options. Cash secured means that we will never use margin or any kind of leverage to sell the options. The premium we garner by the sale of each option is the profit we hope to capture.

### **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

The following are disciplinary events relating to our firm and/or our management personnel:

Klein, Pavlis & Peasley Financial was the Investment Manager for three limited partnerships established by Stephan Peasley. In the opinion of Mr. Peasley each of the limited partnerships had different investment objectives. During a routine audit the SEC opinion was that the three limited partnerships were too similar and should have been combined into one limited partnership. However, to combine the three partnerships would have violated SEC regulations that limit the number of investors allowed for a non-registered investment. The SEC issued an order to stop investing in the second and third limited partnership. As a result, Mr. Peasley closed those limited partnerships. All funds were returned to the clients and no clients lost any of their investment. In addition to the cease and desist order, the SEC fined Mr. Peasley \$20,000 each and mandated quarterly outside audits for three years. Klein, Pavlis and Peasley & Associates absorbed all penalties and legal costs.

In or around May 2019, a consent order was initiated against Klein, Pavlis & Peasley Financial seeking \$20,000 in damages based on allegations that from in or about October 2018 through April 2019, Klein, Pavlis & Peasley Financial transacted business in Pennsylvania as an investment adviser while neither registered nor exempt from Registration, there for violating Section 301(c) of the 1972 Act, 70P.S. 1-301(c). The matter is no longer pending, as it was Ordered in May 2019 that Klein, Pavlis & Peasley Financial pay \$20,000.

### **Item 10 Other Financial Industry Activities and Affiliations**

Neither our firm, nor our representatives have any other financial industry activities or affiliations.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Klein Pavlis & Peasley Financial, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of monthly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our code also provides for oversight, enforcement and record keeping provisions.

Klein Pavlis & Peasley Financial, Inc.'s Code of Ethics further includes the firm's policy prohibiting the misuse of material nonpublic information.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [spasley@kppfinancial.com](mailto:spasley@kppfinancial.com), or by calling us at 800-557-5461.

Klein Pavlis & Peasley Financial, Inc. and individuals associated with our firm are prohibited from engaging in principal and agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. However, Klein Pavlis & Peasley Financial, Inc. does not recommend that clients buy or sell any security in which Klein Pavlis & Peasley Financial, Inc. or a related person has a material financial interest.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security within 10 calendar days prior to or after an across the board transaction being implemented for advisory accounts, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro rata basis. In the instances where there is a partial fill of a particular batched order, we will randomly allocate all purchases top to bottom, bottom to top, middle up or middle down until all trades are allocated pro rata, with each account paying the average price. Our employee accounts will be included in the pro rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- It is the expressed policy of our firm that no person employed by us may purchase or sell any security 10 calendar days prior to or after a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- Our firm requires prior approval for any IPO or private placement investments by related persons

of the firm.

- We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
- We have established procedures for the maintenance of all required books and records.
- All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

Custodians/broker-dealers will be recommended based on Klein, Pavlis & Peasley Financial, Inc.'s duty to seek "best execution," which is the obligation to seek to execute securities transactions for a client on terms that are the most favorable to the client under the circumstances. The client will not necessarily pay the lowest commission or commission equivalent, and Klein, Pavlis & Peasley Financial, Inc. may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of Klein, Pavlis & Peasley Financial, Inc. Klein, Pavlis & Peasley Financial, Inc. will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Klein, Pavlis & Peasley Financial, Inc. does not have any soft dollar arrangements and does not receive any soft dollar benefits.

Klein, Pavlis & Peasley Financial, Inc. will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a prorated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Klein Pavlis & Peasley Financial, Inc. will typically aggregate trades among clients whose accounts can be traded at a given broker. Klein Pavlis & Peasley Financial, Inc.'s block trading policy and procedures are as follows:

- Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Klein Pavlis & Peasley Financial, Inc., or our firm's order allocation policy.
- The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Klein Pavlis & Peasley Financial, Inc. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always

prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

- Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregated trade.
- Klein Pavlis & Peasley Financial, Inc.'s client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- Funds and securities for aggregated orders are clearly identified on Klein Pavlis & Peasley Financial, Inc.'s records and to the broker dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- No client or account will be favored over another.

### **Item 13 Review of Accounts**

Each day, client portfolio holdings are reviewed in light of the client's stated investment objectives, financial needs, and overall market performance. In addition, the reviewers analyze daily the general economic, political and market trends, which might impact customer portfolio holdings. Each position held in the account is evaluated daily, taking into account market conditions as well as other available investment alternatives.

The Firm's investment committee reviews client accounts. The principal is the only individual with the firm who determines what general and specific investment advice the firm gives to clients. The firm's investment committee performs daily reviews on a portfolio analysis basis. There is no limit on the number of accounts that can be reviewed.

The Firm does not prepare client reports. Clients receive account statements directly from their custodial broker/dealer(s).

For Washington clients, the firm is required to maintain written information about each investment advisory client that is the basis for making any recommendation or providing any investment advice to such client. The written information about the investment advisory client must include, but is not limited to, the client's age, other investments, financial situation and needs, tax status, investment objectives,

investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information the client may disclose to the investment adviser in connection with such recommendation or investment advice. On an annual basis, the investment adviser must make a reasonable effort to confirm or update the written information about each investment advisory client.

#### **Item 14 Client Referrals and Other Compensation**

It is Klein, Pavlis & Peasley Financial, Inc.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Klein, Pavlis & Peasley Financial, Inc.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

#### **Item 15 Custody**

When advisory fees are deducted directly from client accounts at client's custodian, Klein, Pavlis & Peasley Financial, Inc. will be deemed to have limited custody of client's assets. Because client fees will be withdrawn directly from client accounts, in states that require it, Klein, Pavlis & Peasley Financial, Inc. will:

- A. Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- B. Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- C. Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients are urged to compare the account statements they received from custodian with those they received from Klein, Pavlis & Peasley Financial, Inc.

#### **Item 16 Investment Discretion**

##### **Investment Discretion**

Clients hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to determine the security to buy or sell; and/or to determine the amount of the security to buy or sell without contacting the client.

Clients give us discretionary authority when they sign a discretionary agreement with our firm.

As previously disclosed in Item 4 of this brochure, our firm provides discretionary asset management services.

#### **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive

responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

### **Item 18 Financial Information**

Klein, Pavlis & Peasley Financial, Inc. has no financial circumstances to report.

Under no circumstances do we require or solicit prepayment of fees. Therefore, we are not required to include a financial statement. Klein, Pavlis & Peasley Financial, Inc. neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Klein, Pavlis & Peasley Financial, Inc. has not been the subject of a bankruptcy petition at any time.



**Part 2B of Form ADV: *Brochure Supplement***

**Justin Alan Klein**

CRD# 4900253

**Klein Pavlis & Peasley Financial, Inc.**

17875 Von Karman Avenue,

Suite 150

Irvine, CA 92614

800-557-5461

March 24, 2022

This brochure supplement provides information about Justin Alan Klein that supplements the Klein Pavlis & Peasley Financial, Inc. brochure. You should have received a copy of that brochure. Please contact Jason Topor if you did not receive Klein Pavlis & Peasley Financial, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Justin Alan Klein is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

**Full Legal Name:** Justin Alan Klein      **Born:** 1983

### **Education**

- Chapman University; BA, Business Administration, Finance/Economics; 2005

### **Business Experience**

- Klein Pavlis & Peasley; Analyst/Investment Advisory Rep; from 06/2003 to Present
- Gerald Klein & Associates; Analyst/Investment Advisory Rep; from 06/2003 to 12/2010
- Gerald Klein & Associates; Jr. Analyst; from 09/2002 to 06/2003
- Klein Pavlis & Peasley; Jr. Analyst; from 09/2002 to 06/2003

## **Item 3 Disciplinary Information**

Justin Alan Klein has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Justin Alan Klein is not engaged in any other investment-related activities.
2. Justin Alan Klein does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

Justin Alan Klein has his real estate licenses, he does not utilize it for business purposes.

## **Item 5 Additional Compensation**

Justin Alan Klein does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:** Jason Topor

**Title:** Chief Compliance Office

**Phone Number:** 800-557-5461

Klein Pavlis & Peasley Financial, Inc. has adopted various procedures to implement the firm's policies and conducts reviews of internal controls to monitor and ensure the firm's supervision and trading policies are observed, implemented properly and amended or updated, which include the following:

- Designation of a Chief Compliance Officer as responsible for implementing and monitoring the firm's compliance policies and procedures.
- An Annual Compliance Meeting and ongoing and targeted compliance training.
- Initial training of newly hired employees about the firm's compliance policies.

- Annual review of the firm's policies and procedures by the Compliance Officer and Senior Management.
- Annual written representations by employees as to understanding and abiding by the firm's policies.
- Supervisory reviews and sanctions for violations of the firm's policies or regulatory requirements.
- Trading reviews, reconciliations of any and all securities transactions for advisory clients.
- Periodic supervisory review of firm's trading practices.
- Periodic review of the firm's Form ADV, advisory agreements, and other materials for appropriate disclosures of the firm's trading practices and any conflicts of interest.
- Designation of a Brokerage Committee, or other designated person, to review and monitor firm's trading practices.

**Part 2B of Form ADV: *Brochure Supplement***

**Stephan Glenn Peasley**

CRD#4450415

**Klein Pavlis & Peasley Financial, Inc.**

17875 Von Karman Avenue,

Suite 150

Irvine, CA 92614

800-557-5461

March 24, 2022

This brochure supplement provides information about Stephan Glenn Peasley that supplements the Klein Pavlis & Peasley Financial, Inc. brochure. You should have received a copy of that brochure. Please contact Jason Topor if you did not receive Klein Pavlis & Peasley Financial, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Stephan Glenn Peasley is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

**Full Legal Name:** Stephan Glenn Peasley      **Born:** 1952

### **Education**

- California State Polytechnic University; BS, Urban Planning; 1975

### **Business Experience**

- Klein Pavlis & Peasley Financial; President/Investment Advisory Rep; from 08/2001 to Present
- Invest Talk Partners, Inc; President/Secretary/Treasurer; from 11/2003 to 01/2012
- Gerald Klein & Associates; Investment Advisory Rep; from 04/1999 to 12/2010

## **Item 3 Disciplinary Information**

See Item 7 below.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Stephan Glenn Peasley is not engaged in any other investment-related activities.
2. Stephan Glenn Peasley does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

Stephan Glenn Peasley is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

## **Item 5 Additional Compensation**

Stephan Glenn Peasley does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:** Jason Topor

**Title:** Chief Compliance Officer

**Phone Number:** 800-557-5461

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- Periodic review of the firm's Form ADV, advisory agreements, and other materials for appropriate disclosures of the firm's trading practices and any conflicts of interest.
- Designation of a Brokerage Committee, or other designated person, to review and monitor firm's trading practices.

**Part 2B of Form ADV: *Brochure Supplement***

**Jason Robert Topor**

**Klein Pavlis & Peasley Financial, Inc.**

17875 Von Karman Avenue,

Suite 150

Irvine, CA 92614

800-557-5461

March 24, 2022

This brochure supplement provides information about Jason Robert Topor that supplements the Klein Pavlis & Peasley Financial, Inc. brochure. You should have received a copy of that brochure. Please contact Stephan Peasley 800-557-5461 if you did not receive Klein Pavlis & Peasley Financial, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Jason Robert Topor is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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

**Full Legal Name:** Jason Robert Topor      **Born:** 1982

### **Education**

- University of Southern California; BA, Business Administration, Finance; 2004
- Babson College; MBA, Entrepreneurship; 2013

### **Business Experience**

- Klein Pavlis & Peasley Financial, Inc; Analyst/Investment Advisory Rep; from 02/2005 to Present
- Gerald Klein & Associates; Analyst/Investment Advisory Rep; from 02/2005 to 12/2010
- Gerald Klein & Associates; Jr. Analyst; from 07/2004 to 02/2005
- Klein Pavlis & Peasley Financial; Jr. Analyst; from 07/2004 to 02/2005

## **Item 3 Disciplinary Information**

Jason Robert Topor has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Jason Robert Topor is not engaged in any other investment-related activities.
2. Jason Robert Topor does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

Jason Robert Topor is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

## **Item 5 Additional Compensation**

Jason Robert Topor does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:** Stephan Peasley

**Title:** President

**Phone Number:** 800-557-5461

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- Annual review of the firm's policies and procedures by the Compliance Officer and



Senior Management.

- Annual written representations by employees as to understanding and abiding by the firm's policies.
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- Designation of a Brokerage Committee, or other designated person to review and monitor firms trading practices.

**Part 2B of Form ADV: *Brochure Supplement***

**Andrew Thomas Ryan**

**Klein Pavlis & Peasley Financial, Inc.**

17875 Von Karman Avenue,

Suite 150

Irvine, CA 92614

800-557-5461

March 24, 2022

This brochure supplement provides information about Andrew Thomas Ryan that supplements the Klein Pavlis & Peasley Financial, Inc. brochure. You should have received a copy of that brochure. Please contact Jason Topor 800-557-5461 if you did not receive Klein Pavlis & Peasley Financial, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Andrew Thomas Ryan is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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

**Full Legal Name:** Andrew Thomas Ryan    **Born:** 1991

### **Education**

- Masters of Business Administration Business, Campbell University - 2015

### **Business Experience**

- • Klein Pavlis & Peasley Financial; Investment Adviser Representative; from 02/2018 to Present
- D1 Basketball Fundamentals; Founder and Trainer; from 05/2016 to Present
- Magic Elite; Coach/Trainer; from 11/2018 to Present
- Merrill Lynch; Financial Advisor Trainee; from 02/2018 to 05/2019
- PGE Turow Zgorzelec; Professional Basketball Player; from 01/2017 to 05/2017
- Brentwood School; Teacher/Coach; from 10/2015 to 05/2016
- Campbell University; Student Athlete; from 08/2010 to 10/2015

## **Item 3 Disciplinary Information**

Andrew Thomas Ryan has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Andrew Thomas Ryan is not engaged in any other investment-related activities.
2. Andrew Thomas Ryan does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

1. Andrew Thomas Ryan is the owner and coach of D1 Basketball Fundamentals

## **Item 5 Additional Compensation**

Andrew Thomas Ryan does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:** Jason Topor

**Title:** Chief Compliance Officer

**Phone Number:** 800-557-5461

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**Part 2B of Form ADV: *Brochure Supplement***

**Nicholas Cano Difilippo**

**Klein Pavlis & Peasley Financial, Inc.**

17875 Von Karman Avenue,

Suite 150

Irvine, CA 92614

800-557-5461

March 24, 2022

This brochure supplement provides information about Nicholas Cano Difilippo that supplements the Klein Pavlis & Peasley Financial, Inc. brochure. You should have received a copy of that brochure. Please contact Jason Topor 800-557-5461 if you did not receive Klein Pavlis & Peasley Financial, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Andrew Thomas Ryan is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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

**Full Legal Name:** Nicholas Cano Difilippo **Born:** 1995

### **Education**

Bachelors of Arts Economics, Chapman University-2019

### **Business Experience**

- Klein Pavlis & Peasley Financial; Investment Adviser Representative; from 04/2017 to Present
- Chapman University; Research Assistant; from 02/2018 to 02/2020

## **Item 3 Disciplinary Information**

Nicholas Cano Difilippo has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **Investment-Related Activities**

1. Nicholas Cano Difilippo is not engaged in any other investment-related activities.
2. Nicholas Cano Difilippo does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **Non Investment-Related Activities**

Nicholas Cano Difilippo is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

## **Item 5 Additional Compensation**

Nicholas Cano Difilippo does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:** Jason Topor

**Title:** Chief Compliance Officer

**Phone Number:** 800-557-5461

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