

**Part 2A of Form ADV – Firm Brochure  
Item 1 – Cover Page**

**DMKC Advisory Services, LLC**  
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Date of Brochure: March 16, 2022

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This brochure provides information about the qualifications and business practices of DMC Advisory Services, LLC. If you have any questions about the contents of this brochure, please contact Kathleen C. Halliwell at 515-221-1133. 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.

Additional information about DMC Advisory Services, LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for our name DMC Advisory Services, LLC or our firm CRD number **145112**.

Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

There have been material changes to this disclosure brochure since issuing our last brochure update on March 9, 2021 as follows:

Any new accounts will no longer be receiving the wrap program benefits. We are transitioning all accounts to non-wrap accounts. Effective January 1, 2022, we are no longer offering a wrap program.

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#### **Item 4 – Advisory Business**

DMKC Advisory Services, LLC (also referred to as the “Firm”, “us”, and “we”) has been an SEC Registered Investment Adviser since 2007 and an Iowa Limited Liability Company since 1999. D.M. Kelly & Company, a registered broker/dealer member FINRA/SIPC, is our parent company; the Daniel M. Kelly 2004 Trust is the majority owner of D.M. Kelly & Company; and Patrick B. Kelly is the Trustee for the Daniel M. Kelly 2004 Trust.

We are a fiduciary and are required to act in your best interest at all times. We provide fee-based investment advisory services and financial planning. The nature and extent of the specific services provided to clients depends on each client’s financial status, objectives and needs, time horizons, concerns, expectations and risk tolerance.

Our investment advisor representatives (“Advisors”) are also registered representatives of D.M. Kelly & Company. When making the determination of whether the advisory programs available through us are appropriate for your individual needs, please keep in mind that fee based accounts, when compared with commission based accounts (such as those available through D.M. Kelly & Company), often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, such arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost to you under a fee account versus a commission based account can vary significantly and a commission based account may be cheaper than a fee based account. Some such factors are account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation.

You should have a conversation with your Advisor and read this Brochure carefully when deciding if the advisory services available through our Firm are right for your investment needs.

#### ***Description of Advisory Services***

Our firm specializes in providing portfolio management services which involve providing you with on-going supervision over your accounts. This means that we monitor your account and make trades when necessary. Through this service, we implement a customized and individualized investment program for you by applying our investment strategy and philosophy. We actively manage your investment portfolios in accordance with your individual needs, return objectives, and risk tolerance.

We will be granted trading authorization on your account. Please refer to Item 16 for more details. You are always responsible for notifying us of any changes to your financial situation or investment objectives, or if you would like to impose and/or modify any reasonable restrictions on the management of their accounts. We are always reasonably available to consult with you relative to the status of your accounts. It is important that you understand that we manage investments for other clients and we are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts we manage. We strive to allocate investment opportunities believed appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client’s benefit.

Our portfolio management services are provided through three managed platforms: Atlas, Anchor, and Allied.

#### ***Comparison of Atlas, Anchor, and Allied***

Atlas is an open-architecture style program available to larger accounts and allows investments in a variety of securities. The Atlas program allows more customization in the portfolio’s composition and the timing of transactions. Individual Advisors help tailor the investment portfolio and may or may not be

granted discretionary trading. There is a \$500,000 minimum account size and a minimum annual fee of \$1,000. All participants must be our client.

The discretionary Anchor offers investors five asset allocation models and can be used for accounts with a \$50,000 minimum account size and a minimum annual fee of \$200. The models primarily use mutual fund and ETF investments. The Anchor program has an Investment Team create, update, and periodically rebalance the model portfolios. All participants must be our client.

The discretionary Allied offers certain investors an equity strategy that meets with the Client's risk objective and can be used for accounts of any size. This program also utilizes a third party money manager. There is a \$1,000,000 minimum account size and a minimum annual fee of \$1,000. All participants must be our client.

All brokerage transactions implemented through Atlas, Anchor, and Allied are processed by D.M. Kelly & Company in its capacity as a full-service introducing broker/dealer, and then cleared through Wells Fargo Clearing Services, LLC, which are both registered broker/dealers and members of FINRA/SIPC. D.M. Kelly & Company is our affiliated broker/dealer. Wells Fargo Clearing Services, LLC is not affiliated with D.M. Kelly & Company or us. In addition to serving as the clearing broker/dealer, Wells Fargo Clearing Services, LLC serves as qualified custodian for Atlas, Anchor, and Allied accounts (see Items 12 and 15 for more information).

### ***Selection and Monitoring of Third Party Money Managers***

Client's investment portfolios are managed either by our Investment Adviser Representatives or outside portfolio managers selected by us. We select and review 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;
- whether established compliance procedures are in place to address at a minimum, insider trading, conflicts of interest, anti-money laundering.

We do not calculate portfolio manager performance. Instead, we rely upon the performance figures based on the client's account statements or reports provided to us by the outside portfolio managers. We do, 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.

We do 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 have the ability to hire or delegate authority to independent third party investment managers to manage a portion of our client's portfolio through advisory management services programs and we have the ability to fire independent third party managers.

### ***Financial Planning Services***

Based on information gathered from you, we present a financial plan intended generally to assist you with your financial affairs. This financial plan is not intended as a comprehensive financial plan covering every possible aspect of your financial affairs. It is intended to cover, in a general sense, those financial issues and decisions typically important to most clients. Financial planning may include advice on retirement,

education, tax planning, survivorship issues, disability, asset allocation and estate planning. In the implementation of the financial plans, you retain the actual responsibility and authority to implement recommendations in the financial plan presented by our Advisor. We may assist in the implementation at the request of clients.

### ***Types of Investments***

We provide investment advice on the following types of investments: municipal securities, fixed income securities (i.e. bonds), exchange-listed securities (i.e. stocks), securities traded over-the-counter (i.e. stocks), commercial paper, certificates of deposit, US government securities, preferred stock, mutual fund shares, or exchange traded funds.

We do not provide advice on foreign issues, warrants, variable life insurance, variable annuities, options contracts on securities, options contracts on commodities, futures contracts on tangibles or intangibles, interests in partnerships investing in real estate, oil, and gas interests, or hedge funds and other types of private (i.e. non-registered) securities.

When providing asset management services, we typically construct your account holdings using no-load mutual funds, funds at Net-Asset-Value (NAV), equity positions and fixed income positions to build diversified portfolios. It is not our typical investment strategy to attempt to time the market but we may increase cash holdings modestly as deemed appropriate, based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

### ***Tailor Advisory Services to Individual Needs of Clients***

Our services are provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

When managing your accounts through the Anchor program, we manage in accordance with one or more investment models. Because your accounts are managed using models, investment selections are based on the underlying model and we generally do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on your individual investment goals, objectives and mandates and at times, we may create individualized portfolios. Our services are always based on your individual needs as we select strategies and models most appropriate for you.

When we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. However, we will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### ***Services through Client Directed Brokerage Arrangements***

Generally, all clients engaging us for our investment management services will be solicited to open an Atlas, Anchor, or Allied program account as previously described. However, at your specific written request, and subsequent consent from us, we can provide investment management services through accounts maintained at a qualified custodian selected by the client. The client selected qualified custodian (which may include a broker-dealer, bank, or product sponsor) will maintain custody of all funds and securities. Please see Items 12 and 15 for more details. The type and form of investment management services provided through this service are similar to the investment management services provided through the Atlas, Anchor, or Allied programs. Some brokerage platforms may have constraints limiting our ability to trade in the client's account or a client may decide to restrict our trading authority. In these situations, our services are considered "consultative" in nature and trading authorization is not granted to us by you. Through this type of arrangement, we provide ongoing review services of your

account; however, you must implement all trades in the account as we will not have direct trading access to the account.

We do not participate in a wrap program.

### ***Client Assets Managed***

The amount of clients' assets managed totaled approximately \$540,134,397 as of December 31, 2021. Approximately \$450,425,395 is managed on a discretionary basis and \$89,709,002 is managed on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

### ***Fees for Atlas***

The maximum annual advisory fee charged for the Atlas program shall not exceed 1.00% and is negotiated with you. The actual fee charged to you is determined prior to establishing an Atlas program account and stated in your agreement or addendum to the agreement. The exact fee is based on your amount of assets under management, overall investment objective (asset allocation), discretionary versus non-discretionary trading authorization, and the complexity of the client's overall financial situation. You are charged fees based on the total assets under management in your household on a tiered fee schedule. The following fee schedule is an example of a typical fee schedule applied under the Anchor program and is provided for illustrative purposes.

<u>Atlas Fee Schedule</u>	
<u>Total Household Asset Level</u>	<u>Annualized Fee Tiers</u>
\$0 - \$250,000	1.00%
\$250,001 to \$500,000	0.95%
\$500,001 to \$1,000,000	0.90%
\$1,000,001 to \$2,000,000	0.85%
\$2,000,001 to \$3,000,000	0.75%
\$3,000,001 to \$4,000,000	0.65%
\$4,000,001 to \$5,000,000	0.60%
\$5,000,001 to \$7,500,000	0.50%
\$7,500,001 to \$10,000,000	0.45%
\$10,000,001 to \$15,000,000	0.40%
\$15,000,001 and above	Negotiated

There is a \$500,000 minimum account size and a minimum annual fee of \$1,000.

### ***Fees for Anchor***

The maximum annual advisory fee charged for Anchor shall not exceed 0.90% and in some cases is negotiated with you. The actual fee charged to you is determined prior to establishing an Anchor account and stated in your agreement or addendum to the agreement. The exact fee is based on your amount of assets under management, overall investment objective (asset allocation), discretionary versus non-discretionary trading authorization, and the complexity of the client's overall financial situation. You are charged fees based on the total assets under management in your household on a tiered fee schedule. The following fee schedule is an example of a typical fee schedule applied under the Anchor program and is provided for illustrative purposes.

<u>Anchor Fee Schedule</u>	
<u>Total Household Asset Level</u>	<u>Annualized Fee Tiers</u>
\$0 - \$250,000	0.90%
\$250,001 to \$500,000	0.85%
\$500,001 to \$1,000,000	0.80%
\$1,000,001 to \$2,000,000	0.75%
\$2,000,001 to \$3,000,000	0.65%
\$3,000,001 to \$4,000,000	0.55%
\$4,000,001 to \$5,000,000	0.50%
\$5,000,001 to \$7,500,000	0.40%
\$7,500,001 to \$10,000,000	0.35%
\$10,000,001 to \$15,000,000	0.30%
\$15,000,001 and above	Negotiated

There is a \$50,000 minimum account size and a minimum annual fee of \$200.

### ***Fees for Allied***

The maximum annual advisory fee charged for Allied shall not exceed 1.00% and is negotiated with you. The actual fee charged to you is determined prior to establishing an Allied account and stated in your agreement or addendum to the agreement. The exact fee is based on your amount of assets under management, overall investment objective (asset allocation), discretionary versus non-discretionary trading authorization, and the complexity of the client's overall financial situation. You are charged fees based on the total assets under management in your household on a tiered fee schedule. The following fee schedule is an example of a typical fee schedule applied under the Allied program and is provided for illustrative purposes.

Allied Fee Schedule	
<u>Total Household Asset Level</u>	<u>Annualized Fee Tiers</u>
\$1,000,001 to \$2,000,000	1.00%
\$2,000,001 to \$3,000,000	0.90%
\$3,000,001 to \$4,000,000	0.80%
\$4,000,001 to \$5,000,000	0.75%
\$5,000,001 to \$7,500,000	0.65%
\$7,500,001 to \$10,000,000	0.60%
\$10,000,001 to \$15,000,000	0.55%
\$15,000,001 and above	Negotiated

There is a \$1,000,000 minimum account size and a minimum annual fee of \$1,000.

### **General Information**

Fees for Atlas, Anchor, and Allied are payable quarterly in advance, directly deducted as described above, within 30 days following the end of the quarter fees are incurred. Fees for the initial quarter will be adjusted pro-rata based on the number of calendar days in the calendar quarter in which the Agreement goes into effect. Fees are calculated by multiplying the assets under management by the relevant percent and then multiplying by the actual number of days in the calendar quarter divided by 365. Accounts opened mid-quarter will be assessed at a pro-rated management fee using the same actual/365 day count convention. For additional deposits or withdrawals made mid-quarter in excess of \$100,000, an interim fee or refund will occur using the same calculation methodology previously outlined. All fees and minimums can be waived or negotiated in certain circumstances.

Fees charged for Atlas, Anchor, Allied cover only investment advisory services provided by our firm and do not include the brokerage services and custody fees provided by D.M. Kelly & Company and Wells Fargo Clearing Services, LLC. You must authorize Wells Fargo Clearing Services, LLC to pay the advisory fee due to us directly from the designated accounts.

Fees are calculated on an incremental basis and are subject to change with 30 days written notice. Notwithstanding the above, certain of our clients with preexisting relationships may initially be charged fees, which are less than the afore-stated fees. With regard to employee related accounts and certain other accounts, the quarterly fees may be less.

Our agreement may be terminated by either party upon notice. You are entitled to a pro rata refund of any pre-paid quarterly fee, based on the number of days remaining in the quarter after notice of termination.

In addition, clients may incur certain charges imposed by third parties other than us in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, IRA and qualified retirement plan fees. Advisory fees charged by us are separate and distinct from the fees and expenses charged by mutual funds that may be recommended to clients. A description of these fees and expenses are available in each mutual fund's prospectus.

D.M. Kelly & Company may receive compensation in addition to advisory program fees. Mutual fund products utilized in Atlas and Anchor models do not pay distribution charges sometimes referred to as 12b-1 fees. The process is to refund 12b-1 fees; however, assets that transfer into the advisory programs



for liquidation may on occasion pay 12b-1 fees and D.M. Kelly & Company may retain that nominal 12b-1 fee.

It should be noted you have the option to purchase many of the investment products that we recommend through other brokers or agents that are not affiliated with us. The advisory fee established by our Firm effective June 30, 2017 will no longer allow our Advisors to receive any fee directly from mutual fund(s) in their separate capacities as registered representatives of D.M. Kelly & Company.

### ***Financial Planning Services***

The fee usually ranges between \$250 to \$5,000, depending on the complexity of your financial situation and your requirements. The fee is determined when we enter into the financial planning agreement with you and is payable at the time of presentation of the financial plan. For this fee, we gather the necessary information from you and then prepare, present, and explain to you the financial plan we developed.

When you desire to us on an hourly fee basis for either advisory or financial planning services, we charge \$195 per hour for our principals and lesser hourly rates for the services of paraprofessionals and administrative associates. Services at hourly rates are billed monthly or on completion, and fees are due upon presentation of the invoice. No minimum account value or asset value is required for financial planning services or investment advice rendered at specific times. Additionally, certain of our Advisors, in their individual capacities, may offer insurance products under a commission arrangement.

### **Trade Error Policy**

You are made whole if we caused a trade error which results in a net loss to you. For mutual fund trade errors, the custodian's process allows for all losses and gains to be offset prior to charging the correspondent firm. Also, if there is another mutual fund correction processed within a 30-day period on the same account that results in a gain, it can be applied to the loss that was originally charged. For all other trade errors, D.M. Kelly & Company as a broker dealer will absorb any gains or losses.

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

We do not charge or accept performance-based fees, which are fees based on a share of capital gains or capital appreciation of the assets held within a client's account.

### **Item 7 – Types of Clients**

We provide investment advice to individuals, high-net worth individuals, corporations, businesses, and charitable organizations. The minimum initial investment is generally \$500,000 for Atlas and a \$1,000 annual minimum fee, for Anchor it is a minimum initial investment of \$50,000 and a \$200 annual minimum fee, and for Allied it is a minimum initial investment of \$1,000,000 and a \$1,000 annual minimum fee. All fees and minimums can be waived or negotiated in certain circumstances.

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

#### ***Methods of Analysis***

We primarily use fundamental analysis in formulating investment advice which is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions), and individually specific factors (like the financial condition and management of companies) along with data and model portfolios from third party managers. The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market

forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

### ***Investment Strategies***

We primarily use the long term purchase investment strategy when managing client assets and/or providing investment advice. This means we design portfolios for the “long-term”. The exact period will vary depending on your circumstances and needs, but generally means investing for 5 years to 20 years from inception. Specific investments selected will typically be held for periods of at least one year or longer. Depending on your circumstances and investments selected, we recommend and purchase investments with the intent to hold them for up to five years or longer. The risk associated with long term investing is that we do not actively change our positions when there are short-term periods of fluctuation and volatility. This is because we strive to select investments based on anticipated results for longer periods rather than short-term swings in the market. Because we do not implement an “active” trading strategy and do not manage accounts for short-term benefits, our managed accounts may not take advantage of short-term price fluctuations compared to a market-timer or short-swing investor.

### ***Risk of Loss***

Past performance is not indicative of future results. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal. Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program. Each client should review the mutual fund or exchange traded fund prospectus for the specific risks related to each fund that is held in the client’s account.

### **Item 9 – Disciplinary Information**

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our business or integrity.

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

We are owned and controlled by D.M. Kelly & Company, a registered broker/dealer and member of FINRA and SIPC. Our personnel may also be affiliated persons and/or registered representatives of D.M. Kelly & Company. In their capacities as registered representatives of D.M. Kelly & Company, our personnel may either execute trades or oversee the execution on behalf of you. See Item 12 for more details.

The Firm and none of our employees have a pending application to register as a firm or an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser, or a broker-dealer.

### ***Receipt of Insurance Commission***

We permit certain of our Advisors, in their individual capacities as licensed insurance agents with various insurance companies to recommend, on a fully disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that we recommend the purchase of insurance products where its advisory representatives receive insurance commissions or other additional compensation.

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

#### **Code of Ethics Summary**

We have adopted a Code of Ethics, the full text of which is available to clients upon request. We have several goals in adopting this Code of Ethics. First, we desire to comply with all applicable laws and regulations governing its practice, and our management has determined to set forth guidelines for professional standards, under which all Firm personnel are to conduct themselves. We have set high standards, the intention of which is to protect client interests at all times and to demonstrate its

commitment to its fiduciary duties of honesty, good faith and fair dealing with you. All personnel are expected to adhere strictly to these guidelines, as well as the procedures for approval and reporting established in the Code of Ethics primarily related to personal securities transactions, and violations of the Code of Ethics. In addition, we maintain and enforce written policies reasonably designed to prevent the misuse of material non-public information by the Firm or any of our personnel. Please contact our Chief Compliance Officer at 515-221-1133 to obtain a copy of our Code of Ethics.

### **Principal Transactions**

D.M. Kelly & Co. may, at its discretion and in its capacity as a broker/dealer, execute your orders for certain types of securities on a principal basis in advisory accounts managed by DMKC Advisory Services, LLC. A principal trade is a type of order carried out by a broker/dealer that involves the broker/dealer buying or selling from its own account and at its own risk, as opposed to carrying out trades through another broker/dealer. D.M. Kelly & Company engages in principal transactions whereby D.M. Kelly & Company will buy or sell investments from its own account and the investments are executed through an account owned by D.M. Kelly & Company. A principal transaction creates the *potential* for D.M. Kelly & Company to charge a markup in addition to the customary fees charged. In addition, principal transactions create the *potential* to not seek better prices in the market.

D.M. Kelly & Company is not a clearing broker/dealer but does maintain an inventory in individual fixed income. When certain client orders for our advisory accounts are received, D.M. Kelly & Company may elect to execute the order through its proprietary account. However, it is the policy of D.M. Kelly & Company and us that no additional compensation will be charged to an advisory client account due to the implementation of principal transactions. D.M. Kelly & Company will disclose the purchase price for any security it proposes to buy or sell for a client and the market price, when more favorable. However, generally, D.M. Kelly & Company undertakes to match or better the best price in the market when it acts as principal. Prior to settlement of any order implemented on a principal basis, D.M. Kelly & Company must receive your consent to the principal transaction. This will be accomplished by emailing the principal trade disclosure form to you. In instances where you do not use email, the form will be sent via USPS with delivery confirmation or via UPS overnight with a tracking number.

### **Bond Pricing**

Individual fixed income securities may be bought or sold in advisory accounts. D.M. Kelly & Company may facilitate trades on an agency or principal basis. No commissions or markup/markdowns are applicable for either method. For both agency and principal trades, D.M. Kelly & Company will check at least two bidding sources to obtain current pricing information. Each bidding source has an audience of numerous bidders who may submit a bid. After bids have been obtained, we will apply the best execution standard to determine if the price is reasonable. For principal trades you will be verbally notified before the trade is executed that D.M. Kelly & Company is acting on a principal basis which may be a conflict of interest. After placing the trade, you will be sent (see above for delivery methods) a written principal trade disclosure form to sign and return. This form includes the price obtained. If D.M. Kelly & Company buys a bond from you into its own inventory, the steps above will be followed and D.M. Kelly & Company will improve the bid.

### **Item 12 – Brokerage Practices**

If you wish to have our Advisor implement advice in their capacity as registered representative or through the Atlas, Anchor, and Allied then our affiliated broker/dealer, D.M. Kelly & Company, must be used. Generally, accounts established through D.M. Kelly & Company will be cleared and held at Wells Fargo Clearing Services, LLC member FINRA/SIPC which is the qualified custodian.

D.M. Kelly & Company has a wide range of approved securities products for which D.M. Kelly & Company performs due diligence prior to selection. D.M. Kelly & Company's registered representatives are required to use these products when implementing securities transactions through D.M. Kelly & Company.

### **Atlas, Anchor, and Allied Accounts**

You should understand that not all investment advisors require the use of a particular broker/dealer or the use of a broker/dealer that is affiliated with the investment advisor. Our decision to require the use of D.M.

Kelly & Company for Atlas, Anchor, and Allied is based on our decision that we can provide efficient and cost-effective services through its affiliated broker/dealer. However, the use of an affiliated broker/dealer is an inherent conflict of interest between the Firm and you because requiring our clients to use D.M. Kelly & Company as the broker/dealer allows D.M. Kelly & Company to retain brokerage revenue that would otherwise be retained by an unaffiliated broker/dealer.

The requirement to use Wells Fargo Clearing Services, LLC (which is not affiliated with D.M. Kelly & Company or us) is based on the fact that D.M. Kelly & Company has established a clearing agreement with Wells Fargo Clearing Services, LLC. Because the Firm and D.M. Kelly & Company are under common ownership and have some of the same executive officers and supervisors, the decision to use Wells Fargo Clearing Services, LLC was mutually determined by D.M. Kelly & Company and the Firm. The decision is based on a comparison of Wells Fargo Clearing Services, LLC against other broker/dealers, including past experiences with other broker/dealers, minimizing brokerage expenses and other costs as well as offerings or services Wells Fargo Clearing Services, LLC provides that D.M. Kelly & Company, the Firm, or you may require or find valuable. There are some investment advisors that permit the use of multiple broker/dealers and permit clients to select the broker/dealer. We have considered the positive factors to this approach which include the ability to better negotiate brokerage costs such as transaction fees, the ability to better analyze speed of execution, and the ability to compare and negotiate services. However, we have determined that the use of one brokerage platform for the Atlas and Anchor Programs allows us to provide more streamlined operational and trading services. We consider the fact that allowing multiple brokerage arrangements would increase the need for additional internal staff and technology which may increase the overall fees charged to our clients. By selecting one brokerage platform, we are able to avoid additional compliance, recordkeeping, staffing, and technological costs that are associated with implementing procedures designed to work with multiple brokerage platforms. Considering all factors in relation to our structure and capacities, we have concluded that requiring one brokerage platform for Atlas, Anchor, and Allied is a better policy than permitting multiple brokerage arrangements including client-directed brokerage arrangements. If we decide to permit other brokerage arrangements in the future, all clients will be made aware of the change in policy.

Commission and fee structures of various broker/dealers, along with services, research, and tools are periodically reviewed by us in order to evaluate the overall execution services provided by D.M. Kelly & Company and Wells Fargo Clearing Services, LLC. Accordingly, while we consider competitive rates, it may not necessarily obtain the lowest possible commission and brokerage rates for your account transactions. Therefore, the overall services provided by both D.M. Kelly & Company and Wells Fargo Clearing Services, LLC are evaluated to determine the level of best execution provided to you. However, considering we require our clients to use the brokerage services of D.M. Kelly & Company and Wells Fargo Clearing Services, LLC, we may not be able to achieve the *most* favorable execution of your transactions and therefore our practice of requiring the use of D.M. Kelly & Company and Wells Fargo Clearing Services, LLC may cost you more money compared to programs offered by other advisers.

While you may be able to attain brokerage services with lower costs and expenses, you should be aware of some of the qualitative factors we consider for selecting D.M. Kelly & Company and Wells Fargo Clearing Services, LLC. These factors include, but are not necessarily limited to, the following:

- Being able to rely on the internal staff of D.M. Kelly & Company to provide operations, trading, and other services.
- Wells Fargo Clearing Services, LLC is able to provide numerous specialized service groups including designated support staff dedicated to servicing D.M. Kelly & Company and Atlas/Anchor/Allied accounts and a training/educational department that provides online, telephone and on-site training of Wells Fargo Clearing Services, LLC products, tools and offerings.
- Wells Fargo Clearing Services, LLC back-office system generates exception reports designed to monitor all aspects of brokerage accounts, including trading, money movement, transfers, and client account data. Client paperwork is processed through a secure electronic workflow and storage system. Wells Fargo Clearing Services, LLC's electronic trading platform provides a real-time order matching system, the ability to "block" client trades, Atlas/Anchor Program investment

models, automated rebalancing, and account balance and position information. Clients may access their account information over the internet, including balances, transactions, positions, statements, confirmations, and tax documents. Advisory fees can be calculated on aggregated account balances and are debited directly from client accounts.

- Through the relationship with Wells Fargo Clearing Services, LLC, D.M. Kelly & Company and the Firm receive economic and non-economic benefits. These benefits include but are not necessarily limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate the shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information.

#### ***Disclosure specific to Client Directed Brokerage Arrangements***

Clients that do not want to open an account through D.M. Kelly & Company and the Atlas, Anchor, or Allied may establish an account at the broker/dealer of their own choosing. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by us after effecting Atlas, Anchor, and Allied trades for our other clients. When we implement trades on an aggregated basis, it is not possible to include client-directed trades with the aggregated trades executed through the Atlas Program.

#### ***Market Timing in Mutual Funds***

An Atlas, Anchor, and Allied account may not be used for market timing strategies or activities for mutual funds or any extreme trading activity that WFA, the Firm, D.M. Kelly & Company, or Wells Fargo Clearing Services deem detrimental to the interest of fund shareholders. Further, the activity must not be contrary to the policies or interest of mutual fund companies with whom the Firm or Wells Fargo Clearing Services maintains relationships. Market timing is defined as excessive short-term purchase and sale transactions or exchanges with the intention of capturing short-term profits in violation of the terms of the fund's prospectus. The Firm or clearing firm, or by direction of the fund company, reserves the right to reject any transactions or to assess a redemption fee for any partial or full liquidation execution in which the account trading appears to be inconsistent with the fund's prospectus. Furthermore, we will cooperate when asked by a fund company to aid in its attempt to identify and impede the efforts of Advisors and investors engaging in market timing or extreme trading activity. If the fund company notifies us to reject or cancel a trade for any reason, we reserve the right to cancel such trade without prior notice to you. We will not be held accountable for any losses resulting from market timing activities. In addition, the frequency of mutual fund transactions and exchanges is subject to any limits established by the mutual fund and us.

#### ***Account Termination***

Client Agreements may be terminated by either party at any time upon written or verbal notice. If you terminate your Agreement, a pro rata refund will be made, less reasonable start-up costs. In the event of cancellation of the Client Agreement, fees previously paid pursuant to the Fee Schedule will be refunded on a pro rata basis, as of the date notice of such cancellation is received by the non-canceling party, less reasonable start-up costs. If you choose to terminate your Agreement with any of our investment advisory Programs, we can liquidate your Account if you instruct us to do so. If so instructed we will liquidate your Account in an orderly and efficient manner. We do not charge for such redemption; however, you should be aware that certain mutual funds impose redemption fees as stated in their fund prospectus. You should also keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with your tax advisor.

We are not responsible for market fluctuations in your Account from the time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner. Factors that may affect the orderly and efficient liquidation of an Account might be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their

reopening. Due to the administrative processing time needed to terminate an advisory Account, termination orders cannot be considered market orders. It may take several business days under normal market conditions to process your request.

Upon termination of the Account or transfer of the Advisory Share Class into a D.M. Kelly & Company retail brokerage account, you authorize WFA or D.M. Kelly & Company to revert, at its discretion, the Advisory Share Class to the mutual fund's primary share class, typically A shares, without incurring a commission or load without your prior consent. You understand that the primary share class generally has higher operating expenses than the Advisory Share Class, which may negatively affect your performance. Certain mutual fund shares may be required to be redeemed as part of the Account termination, as stated in their prospectus. You are subject to the customary brokerage charges for any securities positions sold in your Account after the termination of Program services.

### **Block Trading Policy**

Transactions implemented by us for your accounts are generally effected independently, unless our Advisor decides to purchase or sell the same securities for several clients at the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our Advisors when such action may prove advantageous to clients. When Advisor aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among our Advisors' clients in proportion to the purchase and sale orders placed for each client account on any given day. It should be noted, we do not allow our Advisors to receive any additional compensation or remuneration as a result of aggregation.

Because we do not require our Advisors to aggregate trades, not all trades are aggregated even when there is an opportunity to do so. When trades are not aggregated, clients may not enjoy the effects of lower commission per share costs for that often occur as a result of aggregating trades. As a result, clients may pay a higher transaction cost than could be received elsewhere. We have examined the conflict of interest when we chose to enter into the relationship with D.M. Kelly & Company and we have determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

### **Item 13 – Review of Accounts**

Reviews of all accounts are conducted on a periodic basis. Our Advisor contacts you at least annually for the purpose of reviewing your account(s) and to determine if there have been changes in your financial situation or investment objectives. The calendar is the main triggering factor, although more frequent reviews may also be triggered by changes in your circumstances, client request, or changes within the market. You receive statements at least quarterly from Wells Fargo Clearing Services, LLC. In addition, you may elect to receive position and/or performance reports from us which the nature and frequency is determined by your particular needs.

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

We do not directly or indirectly compensate any person or company for client referrals. The Firm and our personnel do receive additional compensation from product sponsors and other third parties including gifts, an occasional dinner or ticket to a sporting event, or marketing or advertising initiatives, or reimbursement from product sponsors for research and technology-related costs, such as those to build systems, tools, and new features to aid in servicing clients. The amount of this compensation is not dependent or related to the level of assets you or any other of our clients invest in or with the product sponsor. We may compensate the trading desk of D.M. Kelly & Company for bond trading services. These costs are incorporated as part of the advisory fee.

### **Item 15 – Custody**

The Firm is deemed to have custody over accounts managed by us due to our affiliate relationship with

D.M. Kelly & Company. We also have clients that have standing letters of authorization on their accounts. Due to the above, we are subject to an annual surprise verification examination and have engaged an independent, third-party accounting firm to perform an annual, surprise examination verifying the location of client funds and securities. When completed, the accounting firm's report will be available through the SEC's Investment Adviser Public Disclosure page at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) as Form ADV-E.

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

Upon receiving written authorization from you, we provide discretionary investment advisory services for your accounts. We will have discretionary trading authority to determine the type, amount, price, and when securities can be bought or sold for your portfolio without obtaining your consent prior to each transaction. We may elect to purchase bonds through bond brokers in order to obtain a better price for you and then have the bonds delivered into your account. This practice is called "trading away". This is the only case in which we select a broker to be used without your specific consent. Your primary broker/dealer-custodian may charge you a transaction fee for "trading away" through other brokers.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing any trading in your account. If your accounts are managed on a non-discretionary basis and you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price. All clients have the ability to place reasonable restrictions or limitations on the types of investments that may be purchased in your account.

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

We do not vote proxies on behalf of your account. You receive proxies directly from your custodian or transfer agent and such documents will not be delivered by our Firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

#### **Item 18 – Financial Information**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to you and we have not been the subject of a bankruptcy petition at any time.

#### **Customer Privacy Policy Notice**

As part of its regular business conduct, we may collect non-public, personal information about you from sources such as, but not limited to, the following: Information reported by you on applications or other forms that you provide to us; Information about your transactions with us, our Advisors, our affiliates, or others; and Conversations between you and our Advisors. We share such non-public information solely to service your accounts. We will not disclose any non-public, personal information about you or former clients to anyone, except as permitted or required by law. If you decide to close your account(s) with us or become an inactive client, we will continue to adhere to our privacy policy and practices.

**Form ADV Part 2B – Brochure Supplement**

**Item 1 – Cover Page**

**David Haas, CRD# 5599596  
Daniel M. Kelly, CRD #266912  
David P. Lorbiecki, CRD #2357042  
Dan Christopher McPhail, Jr., CRD# 5454010  
Douglas G. Peckumn, CRD# 1032718  
Kevin Shires, CRD# 4974827**

Date of Supplement: March 16, 2022

**This brochure supplement provides information about the Firm's Supervised Persons that supplements the DMKC Advisory Services, LLC ("DMKC Advisory Services, LLC") disclosure brochure. You should have received a copy of that brochure. Please contact Kathleen C. Halliwell at 515-221-1133 or at [khalliwell@dmkc.com](mailto:khalliwell@dmkc.com) if you did not receive DMKC Advisory Services, LLC's brochure or if you have any questions about the contents of this supplement.**

**Additional information about the Firm's Supervised Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



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

Name: **David Haas**

Born: 1983

*Educational Background:*

Marquette University, Milwaukee, Wisconsin, Bachelor of Science in Business Administration: 2005

*Business Experience:*

DMKC Advisory Services, LLC, Investment Advisor Representative, 02/2009 to Present

D.M. Kelly & Company, Registered Representative, 12/2008 to Present

Name: **Daniel M. Kelly**

Born: 1946

*Educational Background:*

College of St. Thomas, St. Paul, Minnesota, Bachelor of Arts: 1968

*Business Experience:*

DMKC Advisory Services, LLC, Investment Adviser Representative, 10/2007 to Present

D.M. Kelly & Company, President, Owner, and Registered Principal, 05/1995 to Present

Name: **David P. Lorbiecki**

Born: 1970

*Educational Background:*

College of St. Thomas, St. Paul, Minnesota, Bachelor of Arts: 1992

*Business Experience:*

DMKC Advisory Services, LLC, Investment Adviser Representative, 10/2007 to Present

D.M. Kelly & Company, Currently serving as Branch Manager, 09/1995 to Present

Name: **Dan Christopher McPhail, Jr.**

Born: 1983

*Educational Background:*

University of Iowa, Iowa City, Iowa, Bachelor of Business Administration: 2005

*Business Experience:*

DMKC Advisory Services, LLC, Investment Adviser Representative, 01/2008 to Present

D.M. Kelly & Company, Registered Representative, 09/2007 to Present

Name: **Douglas G. Peckum**

Born: 1956

*Educational Background:*

University of Iowa, Iowa City, Iowa, Bachelor of Business Administration: 1978

*Business Experience:*

DMKC Advisory Services, LLC, Investment Adviser Representative, 10/2007 to Present

D.M. Kelly & Company, Registered Representative, Vice President, 04/2000 to Present

Name: **Kevin Shires**

Born: 1983

*Educational Background:*

Iowa State University, Ames, Iowa Bachelor of Science: 2005

*Business Experience:*

DMKC Advisory Services, LLC, Investment Adviser Representative, 08/2012 to Present

D.M. Kelly & Company, Registered Representative, Vice President, 08/2012 to Present

Mr. Shires earned the Certified Financial Planner (CFP®) designation in 2008. In order to achieve and maintain certification, CFP® professionals must: 1) pass the comprehensive CFP Certification Examination, 2) pass the CFP Board's Fitness Standards for Candidates and Registrants, 3) agree to abide by CFP Board's Code of Ethics and Professional Responsibility and Rules of Conduct which put clients' interests first, 4) comply with the Financial Planning Practice Standards which spell out what clients should be able to reasonably expect from the financial planning engagement, and 5) complete 30 hours of continuing education (including 2 hours of approved Ethics CE) every two years. - See more at:

<http://www.cfp.net/become-a-cfp-professional/cfp-certification-requirements#sthash.qwXJz3yF.dpuf>.

Mr. Shires earned the Chartered Financial Analyst (CFA) designation in 2011. The charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charter holders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

Mr. Shires earned the Chartered Financial Consultant (ChFC) in 2008.

Education: Obtaining the ChFC designation requires the completion of seven required college-level courses and two electives. Required topics include courses on: financial planning, investments, insurance planning, estate planning, income taxation, financial planning applications and planning for retirement needs. Additional requirements: The designation also requires includes three years of work experience requirements in the financial services industry, a professional ethics pledge, a renewal fee, and the completion of 30 hours of continuing education credit every two years to maintain the designation.

### **Item 3 – Disciplinary Information**

Neither the DMKC Advisory Services, LLC nor any Advisor have been involved in any activities resulting in a disciplinary disclosure.

### **Item 4 – Other Business Activities**

#### **Registered Representative of a Broker-Dealer**

All of our Advisors are separately licensed as registered representatives with D.M. Kelly & Company, a registered securities broker/dealer, member FINRA/SIPC. When acting in their separate capacity as a registered representative they may sell, for commissions, general securities products such as stocks, bonds, mutual funds and exchange-traded funds to you. As such, they may suggest that you implement investment advice by purchasing securities products through a commission-based D.M. Kelly & Company account in addition to an advisory account.

The receipt of commissions creates an incentive for our Advisors to recommend those products for which they will receive a commission. Consequently, the objectivity of the advice rendered to you could be biased. Our Advisors control for conflict of interest by discussing with you the advantages and disadvantages of establishing a fee-based account through us versus establishing a commission-based account through D.M. Kelly & Company. We do not require our Advisors to encourage you to implement investment advice through D.M. Kelly & Company. You are never obligated or required to establish accounts through us or D.M. Kelly & Company. However, if you do not choose to accept our Advisors' advice or decide not to establish an account through D.M. Kelly & Company, our Advisors may not be able to provide management and advisory services to you. You should understand that, due to certain regulatory constraints, Our Advisors, in their capacity as a registered representative, must place all purchases and sales of securities products in commission-based brokerage accounts through D.M. Kelly & Company or its other approved institutions.

None of our Advisors have outside business activities that are 10% of their time or revenue. We do not supervise and do not receive any compensation from these Outside Business Activities.

### **Item 5 – Additional Compensation**

The Firm and our Supervised Persons do receive additional compensation from product sponsors and other third parties including gifts, an occasional dinner or ticket to a sporting event, or marketing or advertising initiatives, or reimbursement from product sponsors for research and technology-related costs, such as those to build systems, tools, and new features to aid in servicing clients. The amount of this compensation is not dependent or related to the level of assets you or any other of our clients invest in or with the product sponsor. Although the Firm and our Supervised Persons endeavor at all times to put the interest of its clients ahead of its own or those of our personnel, these arrangements could affect the judgment of our Supervised Persons when recommending investment products. These situations present

a conflict of interest that may affect the judgment of our Supervised Persons.

**Item 6 – Supervision**

Kathleen C. Halliwell is our Chief Compliance Officer. She is responsible for overseeing and enforcing our compliance programs that have been established to monitor and supervise the activities and services provided by us and our personnel. Kathleen C. Halliwell can be contacted at 515-221-1133.