

Item 1 – Cover Page

AJ Advisors, LLC

ADV Part 2A – Firm Brochure

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September 22, 2022

Chief Compliance Officer: Andrew Quinn

This brochure provides information about the qualifications and business practices of AJ Advisors, LLC (the “Firm”). If you have any questions about the contents of this brochure, please contact us at (615) 944-1557 or andrew@ajadvice.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.

Additional information about AJ Advisors, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to AJ Advisors, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 – Material Changes

This is the Firm’s initial Disclosure Brochure filing.

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Item 4 – Advisory Business

- A. AJ Advisors, LLC (the “Firm”) was founded in April 2022. The Firm is currently applying for registration as a registered investment advisor with the Securities and Exchange Commission (“SEC”). The Firm is equally owned by Andrew Quinn and John Stauffer.
- B. As discussed below, the Firm offers to its clients (individuals, high net worth individuals, pension and profit sharing plans, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can engage the Firm to provide discretionary and/or non-discretionary investment advisory services on a fee basis. The Firm’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Firm’s management. Before engaging the Firm to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with the Firm setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

The Firm’s annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Firm), the Firm may determine to charge for such additional services pursuant to a stand-alone Financial Planning Agreement (see below).

To commence the investment advisory process, an investment adviser representative will first ascertain each client’s investment objectives and then allocate the client’s investment assets consistent with the designated investment objectives. Once allocated, the Firm provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives, and may periodically execute account transactions based upon such reviews.

RETIREMENT PLAN SERVICES

Trustee Directed Plans: The Firm may be engaged to provide discretionary or non-discretionary investment advisory services to workplace retirement plans, whereby the Firm manages retirement plan assets consistent with the investment objective designated by the plan trustees. In such engagements, the Firm will serve as an investment fiduciary as that term is defined under Section 3(21) of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. In discretionary engagements, the Firm will also serve as an investment manager, as that term is defined under Section 3(38) of ERISA.

Participant Directed Retirement Plans: The Firm may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a Retirement Plan Consulting Agreement between the Firm and the plan. For such engagements, the Firm assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants can choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, the Firm may also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Firm *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. The Firm's planning and consulting fees are negotiable, but generally range from \$500.00 to \$5,000.00 on a fixed fee basis, depending on the level and scope of the service(s) requested and the professional(s) rendering the service(s) or \$200.00 per hour on an hourly rate basis.

Prior to engaging the Firm to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with the Firm setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to the Firm commencing services. If requested by the client, the Firm may recommend the services of other professionals for implementation purposes, including certain of the Firm's representatives in their individual capacities as licensed insurance agents (see disclosure at Item 10 C). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Firm. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. It remains the client's responsibility to promptly notify the Firm if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising the Firm's previous recommendations and/or services.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested by the client, the Firm may provide consulting services regarding matters such as estate planning, tax planning, insurance, etc. Neither the Firm, nor any of its representatives, serves as an attorney or accountant, and no portion of the Firm's services should be construed as same. To the extent requested by a client, the Firm may recommend the services of other professionals (e.g., attorneys, accountants, insurance, etc.), including certain of the representatives of the Firm in their separate licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Firm. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. It remains the client's responsibility to promptly notify the Firm if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising the Firm's previous recommendations and/or services.

Periods of Portfolio Inactivity. The Firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the Firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the Firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, there can be no assurance that investment decisions made by the Firm will be profitable or equal any specific performance level(s). Clients remain subject to the fees described in Item 5 below during periods of account inactivity.

Cash Positions. The Firm considers cash and cash equivalents (e.g., money market funds, etc.) to be a material component of a client's investment allocation. As a result, at any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. Unless otherwise agreed, all such cash and cash equivalent positions shall be included as part of assets under management for purposes of calculating the Firm's advisory fee. Clients are advised that, at any particular time, the Firm's asset-based advisory fee may exceed the yield earned on cash and cash equivalent positions.

Trade Error Policy. The Firm shall reimburse accounts for losses resulting from the Firm's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within the Firm's custodian firm account and the Firm retains the net losses and distributes all net gains to a charitable organization.

Client Obligations. In performing its services, the Firm shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Firm if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising the Firm's previous recommendations and/or services.

Retirement Rollovers. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Firm recommends that a client roll over their retirement plan assets into an account to be managed by the Firm, such a recommendation creates a conflict of interest if the Firm will earn a new (or increase its current) advisory fee as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by the Firm.

ERISA / IRC Fiduciary Acknowledgment. When the Firm provides investment advice to a client regarding the client's retirement plan account or individual retirement account, it does so as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. The way the Firm makes money creates some conflicts with client interests, so the Firm operates under a special rule that requires it to act in the client's best interest and not put its interests ahead of the client's.

Under this special rule's provisions, the Firm must:

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

- C. The Firm shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Firm shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Firm's services.
- D. The Firm does not participate in a wrap fee program.
- E. As of September 22, 2022, the Firm had approximately \$203,336,688 in assets under management on a discretionary basis.

Item 5 – Fees and Compensation

- A. The client can determine to engage the Firm to provide discretionary investment advisory services on a fee basis.

INVESTMENT ADVISORY SERVICES

If a client determines to engage the Firm to provide discretionary investment Advisory services on a fee basis, the Firm's annual investment advisory fee shall be based upon a negotiable percentage (%) of the market value and type of assets placed under the Firm's management (between 0.50% and 1.25%) as follows:

Strategic Asset Management (Active & Passive Strategies)

| <u>Account Size</u> | <u>Maximum Annual Fee</u> |
|---------------------|---------------------------|
| First \$250,000 | 1.25% |
| Next \$750,000 | 1.00% |
| Next \$500,000 | 0.75% |
| Above \$1,500,000 | 0.50% |

Traditional Asset Management

| <u>Account Size</u> | <u>Maximum Annual Fee</u> |
|---------------------|---------------------------|
| First \$250,000 | 1.00% |
| Next \$750,000 | 0.75% |
| Above \$1,000,000 | 0.50% |

529 Plan Asset Management

Flat Fee of 0.50% on total balance

** **Note:** The material differences between the Strategic and Traditional investment strategies are detailed in item 8.*

Example: Household with \$375,000 of AUM under Strategic Asset Management schedule would be charged annually 1.25% on the first \$250,000 and 1.00% on the remaining \$125,000.

Conflict of Interest: Although the Firm will allocate client assets consistent with the client's designated investment objective(s), the fact that the Firm earns a higher fee for its Strategic Asset Management strategies, as referenced in the above fee schedule, presents a conflict of interest because the Firm has an economic incentive to allocate more assets and/or recommend that a client engage in the strategy from which it will derive the highest advisory fee.

The Firm, in its sole discretion, may charge a lesser investment advisory fee and/or charge a flat fee based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, prior fee schedules, competition, negotiations with client, etc.). As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

RETIREMENT PLAN SERVICES

The Firm provides its discretionary and non-discretionary retirement plan services on a fee basis, based upon a negotiable percentage (%) of the market value of plan assets. The fees for these engagements are individually negotiated on a case-by-case basis, depending on a variety of factors, including but not limited to, the scope of the overall engagement, the amount of plan assets, the professional(s) rendering the service(s), and other factors. The specific annual fee to be paid for the Firm's services under these engagements will be set forth in the services agreement between the Firm and the plan.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Firm may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. The Firm's planning and consulting fees are negotiable, but generally range from \$500.00 to \$5,000.00 on a fixed fee basis, depending on the level and scope of the service(s) requested and the professional(s) rendering the service(s) or \$200.00 per hour on an hourly rate basis. Notwithstanding the foregoing, some clients may continue to be engaged for financial planning and consulting engagement under legacy fee schedules that are no longer offered to new clients. These legacy fee arrangements are described in the client's Financial Planning and Consulting Agreement, and these legacy clients are advised to review their agreement for specific details.

- B. Clients may elect to have the Firm's advisory fees deducted from their custodial account. Both the Firm's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Firm's investment advisory fee and to directly remit that management fee to the Firm in compliance with regulatory procedures. In the limited event that the Firm bills the client directly, payment is due upon receipt of the Firm's invoice. The Firm shall deduct fees and/or bill clients quarterly in arrears, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Firm shall generally recommend that TD Ameritrade ("TD Ameritrade") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as TD Ameritrade charge brokerage commissions and/or transaction fees for effecting certain securities transactions in accordance with their commission and transaction fee schedules. The Firm generally does not recommend securities that incur commissions or transaction fees. However, in limited circumstances, the Firm, either on its own initiative or at the recommendation of the client, will incur transaction fees or commissions on client's behalf.

When beneficial to the client, individual fixed income and/or equity transactions may be effected through broker-dealers with whom the Firm and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through SEC registered and FINRA member broker-dealers other than TD Ameritrade (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a “trade-away” fee charged by TD Ameritrade).

In addition to the Firm’s investment management fee and any applicable brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

- D. The Firm’s annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter, prorated for any deposits and withdrawals during the quarter. The Firm does not generally require an annual minimum fee or asset level for investment advisory services. However, the Firm, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).
- E. The Investment Advisory Agreement between the Firm and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, a portion of the earned but unpaid advisory fee shall be due, prorated based upon the number of days in the billing period through the effective date of termination.
- F. Neither the Firm, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Firm nor any supervised person of the Firm accepts performance-based fees.

Item 7 – Types of Clients

The Firm’s clients shall generally include individuals, high net worth individuals, pension and profit sharing plans, trusts, estates and charitable organizations. The Firm does not generally require an annual minimum fee or asset level for investment advisory services.

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

- A. The Firm shall utilize the following methods of security analysis:
 - Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Firm shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Firm) will be profitable or equal any specific performance level(s).

- B. The Firm’s methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Firm must have access to current/new market information. The Firm has no control over the dissemination rate of market information; therefore, unbeknownst to the Firm, certain analyses may be compiled with outdated market information, severely limiting the value of the Firm’s analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Firm’s primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will generally incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy, generally. The Firm primarily recommends mutual funds and ETFs that do not incur transaction fees on the clients’ behalf. In limited circumstances, clients will incur transaction fees when the Firm invests in individual equity securities.

- C. Currently, the Firm primarily allocates client investment assets among various mutual funds and/or exchange traded funds (“ETFs”) on a discretionary basis in accordance with the client’s designated investment objective(s).

The Firm also selects and manages individual stocks and bonds for those clients that wish to own individual securities, in accordance with the client’s designated investment objective(s).

The Firm offers the following two types of investment management services:

- 1) ***Strategic:*** Proprietary Asset Allocation Models (Conservative, Balanced, Growth, Aggressive Growth, High Yield Bond)
- 2) ***Traditional:*** (1) Individual Bonds; (2) Qualified Employer Plans with Restricted Investment Options; (3) 529 accounts

1) Strategic: The Firm shall select investments from a universe of mutual funds and exchange traded funds (ETFs). Such investment choices shall be based upon the suitability information provided to the Firm by the client. Additionally, the client will complete a suitability form which will allocate his/her managed account to a combination of “core” funds (primarily bond and conservative allocation funds) and “growth” funds (primarily equity funds).

The “core” funds chosen by Firm are the portion consisting of lower volatility, lower standard deviation mutual funds. The “core” portion of the portfolio is monitored daily, but trades less frequently. If the comprising mutual funds change in criteria (including but not limited to volatility, standard deviation, performance), changes to positions may be made. Such factors as yield, average maturity, credit quality, duration and standard deviation are considered in the construction of this portion of models.

The “growth” portions of the accounts, chosen by the Firm, consist primarily of index funds or ETFs. However, if an account that the Firm manages only has mutual fund choices, the Firm will choose a mutual fund that it feels most closely correlates to the corresponding index. The “growth” portion is monitored daily and represents the higher volatility and standard deviation portion of the models. This portion is constructed of a diversified allocation of domestic and international equity funds. Such factors as size, style, sector, yield, geography, beta, correlation and standard deviation are considered in the construction of this portion of the models.

Clients have the option to select an “active” or “passive” management approach to the asset allocation models. If “active” is selected, at a given time, 100% of the “core” and/or “growth” portions of the client’s account could be invested in an index or mutual fund “in the market” or in a money market or cash position. The client’s suitability determines the allocation of the account to “core” and/or “growth”. If “passive” is selected, the “core” and “growth” portions of the client’s account will typically remain fully invested in index or mutual funds.

The Firm shall also select individual stocks as part of managed stock strategies. These will include both short and long-term holding periods.

2) Traditional: The Firm shall select individual bonds for client accounts. For qualified employer retirement plans and 529 accounts, each with limited investment options, the Firm shall select and monitor a diversified fund allocation, using the fund options available to plan participants and 529 account owners. Such investment choices shall be based upon the suitability information provided to the Firm by the client. The Firm will review at least quarterly the composition of the accounts using traditional management for recommendations in rebalancing.

The Firm’s asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as the Firm’s asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to the Firm’s management of client assets:

1. Initial Interview – at the opening of the account, the Firm, through its designated representatives, shall obtain from the client information sufficient to determine the client’s financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client’s financial situation and investment objectives;
3. Quarterly Notice – at least quarterly the Firm shall notify the client to advise the Firm whether the client’s financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, the Firm shall contact the client to determine whether the client’s financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – the Firm shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;
7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Firm not to purchase certain mutual funds;
8. No Pooling – the client’s beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

The Firm’s investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

Closed-End Funds. Certain pooled vehicles that may be used or recommended by the Firm include types of registered investment companies known as “closed-end funds.” Closed-end funds generally do not continually offer their shares for sale. Rather, they sell a fixed number of shares at one time, after which the shares typically trade on a secondary market. Many closed-end funds invest using borrowed money to seek higher returns. This triggers greater risk and could cause the share price to fluctuate accordingly, especially because the closed-end fund will also have to pay interest or dividends on its leverage, effectively reducing the return value. Many closed-end funds also choose to distribute a fixed percentage of net assets regardless of the fund’s actual interest income and capital gains. Consequently, distributions by a closed-end fund may include a return of capital, which would reduce the fund’s net asset value and its earnings capacity. Closed-end funds may invest in a greater amount of illiquid securities than open-end mutual funds. Investments in illiquid securities pose risks related to uncertainty in valuations, volatile market prices, and limitations on resale that may have an adverse effect on the ability of the fund to dispose of the securities promptly or at reasonable prices. Finally, closed-end funds carry liquidity risks. Many closed-end funds will only offer quarterly redemption opportunities, and these quarterly redemptions are generally capped by the fund sponsor. These redemption limits may prevent the Firm from selling out of such closed-end funds at a specific time or at an advantageous price.

Item 9 – Disciplinary Information

The Firm has no disciplinary information to report.

Item 10 – Other Financial Industry Activities and Affiliations

- A. Neither the Firm, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Firm, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Licensed Insurance Agents.** John P. Stauffer and Andrew Quinn, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4B above, clients can engage certain of Firm's representatives to effect insurance transactions on a commission basis.
- **Conflict of Interest:** The recommendation by John P. Stauffer or Andrew Quinn that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from John P. Stauffer or Andrew Quinn. Clients are reminded that they may purchase insurance products recommended by the Firm through other, non-affiliated insurance agents.
- D. The Firm does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

Item 11 – Code of Ethics, Participation or Interest in

Client Transactions And Personal Trading

- A. The Firm maintains an investment policy relative to personal securities transactions. This investment policy is part of the Firm's overall Code of Ethics, which serves to establish a standard of business conduct for all of the Firm's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Firm also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Firm or any person associated with the Firm.

- B. Neither the Firm nor any related person of the Firm recommends, buys, or sells for client accounts, securities in which the Firm or any related person of the Firm has a material financial interest.
- C. The Firm and/or representatives of the Firm *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Firm and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take

place if the Firm did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Firm’s clients) and other potentially abusive practices.

The Firm has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Firm’s “Access Persons”. The Firm’s securities transaction policy requires that an Access Person of the Firm must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Firm selects; provided, however that at any time that the *Firm* has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Firm and/or representatives of the Firm *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Firm and/or representatives of the Firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, the Firm has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of the Firm’s Access Persons.

Item 12 – Brokerage Practices

- A. In the event that the client requests that the Firm recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Firm to use a specific broker-dealer/custodian), the Firm generally recommends that investment management accounts be maintained at TD Ameritrade. Prior to engaging the Firm to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with the Firm setting forth the terms and conditions under which the Firm shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Firm considers in recommending TD Ameritrade (or any other broker-dealer/custodian to clients) include historical relationship with the Firm, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by the Firm’s clients shall comply with the Firm’s duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Firm determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although the Firm will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, the Firm’s investment management fee. The Firm’s best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, the Firm can receive from TD Ameritrade (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist the Firm to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by the Firm can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by the Firm in furtherance of its investment advisory business operations.

Certain of the above support services and/or products assist the Firm in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Firm to manage and further develop its business enterprise.

The Firm's clients do not pay more for investment transactions effected and/or assets maintained at TD Ameritrade as a result of this arrangement. There is no corresponding commitment made by the Firm to TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

2. The Firm does not receive referrals from broker-dealers.
3. The Firm does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and the Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by the Firm. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs the Firm to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through the Firm. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of transactions for non-directed accounts.

- B. To the extent that the Firm provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders

been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Firm shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 – Review of Accounts

- A. For those clients to whom the Firm provides investment supervisory services, account reviews are conducted on an ongoing basis by the Firm's Principals and representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Firm of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Firm on an annual basis.
- B. The Firm *may* conduct account reviews on other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Firm may also provide a written periodic report summarizing account activity and performance.

Item 14 – Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, the Firm may receive an indirect economic benefit from TD Ameritrade. The Firm, without cost (and/or at a discount), may receive support services and/or products from TD Ameritrade.

The Firm's clients do not pay more for investment transactions effected and/or assets maintained at TD Ameritrade as a result of this arrangement. There is no corresponding commitment made by the Firm to TD Ameritrade or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

- B. The Firm does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 – Custody

The Firm shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Firm may also provide a written periodic report summarizing account activity and performance.

To the extent that the Firm provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Firm with the account statements received from the account custodian. The account custodian does not verify the accuracy of the Firm's advisory fee calculation.

The Firm may engage in other practices and services on behalf of its clients that will require disclosure at ADV Part 1, Item 9. Some of the practices and services will subject the affected account(s) to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. In addition, certain clients may sign asset transfer authorizations which permit the qualified custodian to rely upon instructions from the Firm to transfer client funds to “third parties.” These arrangements will also be reflected at ADV Part 1, Item 9, but in accordance with the guidance provided in the SEC’s February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

Item 16 – Investment Discretion

The client can determine to engage the Firm to provide investment advisory services on a discretionary basis. Prior to the Firm assuming discretionary authority over a client’s account, the client shall be required to execute an Investment Advisory Agreement, naming the Firm as the client’s attorney and agent in fact, granting the Firm full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client’s name found in the discretionary account.

Clients who engage the Firm on a discretionary basis may, at any time, impose restrictions, in writing, on the Firm’s discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Firm’s use of margin, etc.).

Item 17 – Voting Client Securities

- A. The Firm does not vote client proxies. 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.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Firm to discuss any questions they may have with a particular solicitation.

Item 18 – Financial Information

- A. The Firm does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Firm is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Firm has not been the subject of a bankruptcy petition.