



## *Firm Brochure*

March 31<sup>st</sup>, 2023

Branson, Fowlkes & Company, Inc. SEC File # 801-44173

19 Briar Hollow Lane, Suite 130-B, Houston, Texas 77027

Voice 713.780.0606, Fax 713.780.0072,

Website - [www.bransonfowlkes.com](http://www.bransonfowlkes.com) e-mail - [information@bransonfowlkes.com](mailto:information@bransonfowlkes.com)

This brochure provides information about the qualifications and business practices of **Branson, Fowlkes & Company, Inc.** If you have any questions about the contents of this brochure, please contact us at: 713.780.0606, or by email at: **information@bransonfowlkes.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 Branson, Fowlkes & Company, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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## Material Changes

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### Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### Material Changes since the Last Update

In December of 2022, the Principals and staff of Branson, Fowlkes & Company, Inc. resigned their registrations with Triad Advisors LLC (a FINRA registered broker-dealer). In the past being registered with a broker-dealer allowed access to certain products including variable annuities, variable life, 529 plans, and other registered products that were not available to fee-based Registered Investment Advisors (RIA). Many of those products, or alternatives, are now available to fee-based RIA's making it no longer necessary to be registered with a broker-dealer.

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### Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 713.780.0606 or by email at: [information@bransonfowlkes.com](mailto:information@bransonfowlkes.com)

## Advisory Business

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### Firm Description

Branson, Fowlkes & Company, Inc., ("BFCO") was founded in 1990. BFCO provides personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small to medium sized businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, establishing risk volatility parameters, cash flow management, and tax planning. This information is used to develop various investment strategies which include asset allocations and the selection and monitoring of securities (including open and closed end funds, mutual funds, and publicly traded stocks and bonds). BFCO uses a multi-level approach to investment diversification called **D<sup>3</sup> The Power of Diversification™**.

In addition to personalized investment advisory services BFCO may offer advisory services in other areas which are referred to as Financial Planning. Investment advice is an integral part of financial planning. Other common areas included in Financial Planning include advising clients regarding cash flow, college planning, retirement planning, tax planning, insurance review, risk management, and estate planning.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client, or sub-contracted, on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory consultation to determine the extent to which financial planning and investment management may be beneficial to the client.

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### **Principal Owners**

BFCO is owned by its founders Jay Branson and Maco Fowlkes. They are each 50% shareholders.

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### **Types of Advisory Services**

BFCO provides investment advisory services, also known as asset management services and furnishes investment advice through consultations. On an occasional basis, BFCO furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of December 31<sup>st</sup>, 2022, BFCO, manages approximately \$ 308,792,000 in assets for approximately 179 clients. Approximately \$ 262,816,652 is managed on a discretionary basis, and \$ 45,975,348 is managed on a non-discretionary basis.

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### **Tailored Relationships**

The goals, objectives, and investment suitability for each client are documented in our client files. For example, in some cases we may use a questionnaire to explore a client's tolerance for risk. For some portfolios we may create a written Investment policy statement which reflects the clients stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

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### **Types of Agreements**

The following agreements define the typical client relationships.

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#### **Financial Planning Agreement**

It is our general policy that Financial Planning clients select either a comprehensive financial plan (Review, analysis, and recommendations on Cash Flow, Investments, Income Taxes, Retirement, Fringe Benefits, Risk Management, and Estate Planning) or a modular plan (a financial plan limited to one or more areas of a comprehensive plan). Financial Plans are prepared by individuals designated by BF&CO who are qualified in financial planning.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations. Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fees charged for financial planning services vary based on the complexity of the services selected by the client and the amount of time estimated to prepare the plan document. It is our general policy, and in most cases a fixed fee will be quoted in advance. Clients may choose hourly consulting services which range from \$75.00/Hr. to \$250.00/Hr. based on the level of expertise of the individual whose time is being billed. Financial Planning fees for comprehensive and modular plans are charged 50% in advance and 50% within 30 days. Other financial planning fees are billed to clients and payable upon receipt. Clients may terminate a financial planning contract at any time through written notice and receive an itemized statement

for services rendered and refund for any unearned fees collected. In some circumstances BF&CO may prepare financial reports and analysis for clients, or prospective clients, without charging a fee.

In some cases BFCO may do research, prepare reports, and do other analysis, on a reduced fee, or gratis basis. The determination on whether to charge a full, reduced, or gratis fee is made by the Advisor based on the time and complexity of services desired, and in consideration of the entire client relationship. BFCO may rely upon the opinions of other advisors including attorneys, accountants, and financial planners.

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## **Investment Advisory Agreement**

The services to be provided and fee for an Investment Advisory Agreement are provided to the client in writing when the account(s) to be managed are established. An Investment Advisory Agreement includes, but is not limited to the following services:

- a. Assisting clients in: (1) establishing, reviewing and changing the investment objectives of the Account, and (2) developing and/or selecting performance standards to measure short-, intermediate-, and long-term Account returns.
- b. Determining, reviewing, and changing the allocation and diversification of assets in the Account and executing asset allocation software models using variables suitable to the Account.
- c. Purchasing securities consistent with the Account's investment objectives and asset allocation needs.
- d. Reporting account investment results quarterly and reviewing the reports and accompanying graphics with you to assist you in understanding their contents.
- e. Conducting annual meetings at BFCO's offices to discuss Account performance.

The annual Investment Advisory Agreement fee is based on a percentage of the investable assets according to the following schedules:

### ***Balanced & Equity Accounts***

- 1.00% on the first \$1,000,000;
- .75% on the next \$2,000,000 (from 1,000,001 to 3,000,000); and
- .50% on the next \$2,000,000 (from \$3,000,001 to \$5,000,000)
- .50% or as agreed thereafter

### ***Fixed Income (Bond) Accounts***

- .30% on the first \$ 5,000,000;
- .25% on the next \$ 5,000,000 (from \$5,000,001 to \$10,000,000); and
- .25% or as agreed thereafter

The minimum annual fee is \$ 2,500.00 and is negotiable in some cases. Some current client relationships may exist where the fees are higher or lower than the fee schedule above.

In some cases BF&CO will provide investment management services for the account of a 401(k) plan participant and not for the entire 401(k) plan. In these cases the advisory fee is determined by the complexity of the plan, operational restrictions, and the size of the participant's account. Fees can range from the normal fee schedule referenced above to as low as .25% annually.

BF&CO may, under special circumstances, negotiate fees and/or offer services on a gratis basis. The circumstances may include, but not be limited to, members of an employee or client's extended family, certain non-profit organizations, and non-managed accounts.

Although the Advisory Service Agreement is an ongoing agreement and may require periodic adjustments, the length of service to the client is at the client's discretion. The client or BFCO may terminate an Agreement by written notice to the other party. At termination, fees will be adjusted based on the terms specified in the individual agreement (generally a refund or amount due will be calculated based on the date of the written notice terminating the agreement).

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### **Financial Planning Retainer Agreement**

In some circumstances, a Financial Planning Retainer Agreement is executed in lieu of a Comprehensive or Modular Financial Planning Agreement when the services desired by the client are unspecified and the client may prefer to consult with the Advisor by telephone regarding various financial planning related questions. The annual fee for a Financial Planning Retainer Agreement is \$ 2,500.00 and is negotiable.

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### **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time based on the individual terms specified in their respective agreements. Generally, a 30 day written notice is required notifying BFCO at the legal address indicated in their agreement. If there is a balance due, or refund due for advance payment of advisory fees the payment or refund will be calculated based on the terms described in their agreement.

BFCO may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, BFCO will refund any unearned portion of the advance payment.

## **Fees and Compensation**

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### **Description**

BFCO bases its fees on a percentage of assets under management, hourly charges, or fixed fees. Some *Financial Planning Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship. Financial plans are priced according to the degree of complexity associated with the client's situation.

In some cases fees are negotiable.

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### **Fee Billing**

Investment Advisory fees are generally charged quarterly in advance. In some cases fees will be charged quarterly in arrears. The individual client advisory agreement will disclose how and when the fees are charged. Fees are deducted directly from investment management accounts based on authorization established at the accounts inception. Fees that are charged and deducted will be reflected on the custodians account statements provided directly to the client.



Fees for financial plans are generally billed 50% in advance upon the acceptance of the Financial Planning Agreement, with the balance due within 30 days.

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### Other Fees

In most cases BFCO avoids transaction fees for the trading of the majority of mutual funds and exchange traded funds utilized in client accounts. Our primary custodian, Fidelity Investments, offers over 3,400 mutual funds from 100's of fund companies and several exchanged traded index funds with no transaction fee. We refer to these funds as *No Load/No Transaction Fee* funds and in many cases these satisfy the needs for client portfolios.

In cases where we utilize securities that are not offered with *No Load/No Transaction Fees* custodians may charge transaction fees often referred to as commissions on the purchases or sales of certain securities including individual stocks, bonds, mutual funds and exchange-traded funds. These transaction charges are disclosed on the trade confirmations and account statements, are negotiated regularly and usually are small and incidental to the purchase or sale of a security.

Additionally, some mutual fund companies, and/or custodians charge an early redemption fee for shares that are purchased and sold in a time period that is shorter than specified.

When buying or selling individual stocks there are also fees of a few pennies per transaction that are referred to as a SEC fee. The SEC does not impose or set any of the brokerage fees that investors must pay. Instead, under Section 31 of the Securities Exchange Act of 1934, self-regulatory organizations (SROs) -- such as the Financial Industry Regulatory Authority (FINRA) and all of the national securities exchanges (including the New York Stock Exchange) -- must pay transaction fees to the SEC based on the volume of securities that are sold on their markets. These fees recover the costs incurred by the government, including the SEC, for supervising and regulating the securities markets and securities professionals.

BFCO is very aware of all fees and transaction charges that may be charged to a clients account and takes that into consideration when managing an account. BFCO does not receive any compensation from any of the transaction fees referred to in this section.

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### Expense Ratios

Both Open and Closed End Mutual funds, Exchange Traded Funds, and Fixed and Variable annuities have expenses which are paid internally by the various funds. The expenses include the funds management fee for investment services, custodial expenses, and transaction charges. These fees are referred to as the expense ratio (i.e. an expense ratio of 0.50 means that the mutual fund company's costs to operate the fund are 0.5% of the funds assets). These fees are in addition to the fees paid by you to BFCO. These additional fees are disclosed by prospectus issued by the investment product sponsors. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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### Past Due Accounts and Termination of Agreement

BFCO reserves the right to stop work on any account that is more than 30 days overdue. In addition, BFCO reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in BFCO's judgment, to providing proper financial advice.

## Performance-Based Fees

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### Sharing of Capital Gains

BFCO's fees are not based on a share of the capital gains or capital appreciation of managed securities.

## Types of Clients

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### Description

BFCO provides financial planning and investment advisory services to families, individuals, businesses, charitable and private trusts and company sponsored retirement plans. Client relationships vary in scope from a single area like investment management to a more comprehensive relationship involving more than one area of financial advice. The length of service can vary from an on-going relationship (i.e. investment management) to a single task (i.e. update estate plan).

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### Account Minimums

The minimum account size is \$ 250,000.00 of assets under management, which equates to an annual fee of \$ 2,500.00.

BFCO has the discretion to waive the account minimum. Accounts of less than \$ 250,000.00 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$250,000.00 within a reasonable time. Other exceptions will apply to employees of BFCO and their relatives, or relatives of existing clients.

## Methods of Analysis, Investment Strategies and Risk of Loss

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### Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include research materials prepared by others, financial newspapers and magazines, inspections of corporate activities, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that BFCO may use include Morningstar mutual fund research, and proprietary research prepared by J.P. Morgan, Goldman Sachs, Russell Investments, and other firms selected by BFCO.

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### Investment Strategies

The primary investment strategy for portfolio design used by BFCO on client accounts is a form of strategic asset allocation which we have named and trademarked called;

**D<sup>3</sup> The Power of Diversification<sup>tm</sup>**

We believe proper diversification is key to investment success. Diversification, as an investment strategy, is not a new concept; but what historically has set apart major pools of capital from all other investors is their ability to practice a multilevel philosophy of diversification, which effectively provides investors with the ability to diversify within diversification. BFCO seeks to capitalize on diversification within diversification and provide our clients with consistent above average returns. We use diversification by asset class, by investment style within various asset classes, and by sub-style or manager within style groups.

**Diversification by Asset Class** is the most widely recognized and practiced form of diversification. It involves combining into a single portfolio different asset classes—such as large and small US stocks, large and small Non-US stocks, US and Non-US bonds, real estate, and commodities—all of which have different return and risk characteristics. By doing so, the investor tends to reduce risk and increase return.

**Diversification by Investment Style** All money managers, whether they manage stock funds or bond funds, select their securities using a particular discipline or strategy. This discipline is referred to as their investment style (i.e growth, and value, etc.). No investment style is the top performer in all time periods. The various styles go into and out of favor periodically. The performance between styles can vary dramatically. Since styles come into and go out of favor, BFCO believes an investors best opportunity for success is to design portfolios combining investment styles. This strategy tends to reduce volatility and increase return.

**Diversification by sub-style, or manager** Individual fund/manager performance, even among the best managers, varies significantly from time to time. If a manager is "number one," he/she generally has made some type of firm commitment—almost like a bet—which stands out dramatically from his/her peer group. Usually this type of gamble results in the manager eventually losing big, so that he/she falls to the bottom of the group. Frank Russell Company conducted a study to determine how many managers could consistently perform in the top 25% of their peer group. The study monitored the performance of 169 single-style money managers spanning the period 2005-2010. Not one manager was able to accomplish this feat—at least over this five-year period. If consistently performing in the top quartile of their peer group is so difficult for money managers, then BFCO believes the odds against being successful are simply too great. BFCO looks to identify those money managers with a dependable record of consistent returns.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Clients may execute a written Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies used by BFCO may include cash management, short-term purchases, active trading, and margin transactions.

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## **Risk of Loss**

All investment strategies and programs have certain risks that are borne by the investor. Our investment approach is intended to manage those risks but we cannot guarantee returns or risk of loss. These are some of the risks that investors face:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Disciplinary Information

### Legal and Disciplinary

BFCO and its employees have not been involved in any material legal or disciplinary events related to past or present investment clients.

## Other Financial Industry Activities and Affiliations

### Financial Industry Activities

BFCO is not registered as a securities broker-dealer.

### Affiliations

BFCO is owned by its Principals Jay Branson and Maco Fowlkes. They are also the owners of Branson, Fowlkes/Russell, Inc. ("BF/R"). BF/R is a Texas corporation registered with the SEC as an investment adviser. BF/R provides investment advisory services to clients who may also be clients of BFCO. Jay W. Branson and Maco S. Fowlkes individually are general agents of various insurance companies.

## Code of Ethics

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### Code of Ethics

Our firm has adopted a Code of Ethics for all supervised persons of the firm describing our high standard of business conduct, and fiduciary duty to our clients. All supervised persons at our firm must acknowledge in writing the terms of the Code of Ethics and personal securities transactions and holdings annually, or as amended.

The Code of Ethics is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics initially, and annually thereafter, to all clients (or upon request by any client or prospective client). The BFCO Code of Ethics is comprised of the Code of Ethics and Insider Trading policies and procedures of BFCO.

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### Participation or Interest in Client Transactions

BFCO and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the *BFCO Compliance Manual*.

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### Personal Trading

The Chief Compliance Officer of BFCO is Jay W. Branson. He reviews all employee trades (including his own) quarterly. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## Brokerage Practices

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### Selecting Brokerage Firms

Specific custodian recommendations are made to Clients based on their need for such services. BFCO recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

BFCO recommends discount brokerage firms and trust companies (qualified custodians), and in most cases receives Institutional discounts for their clients' accounts. BFCO's primary account custodian is Fidelity Investments. BFCO has a formal ongoing relationship with Fidelity Investments which includes discounted transactions, access to over 2800 mutual funds with no transaction fee, and an online proprietary trading platform for account trading, reporting, and other services. BFCO does not receive any compensation from Fidelity from any of these arrangements.

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### Best Execution

BFCO reviews the execution of trades at each custodian each quarter. The review is documented in the *BFCO Compliance Manual*. Transaction charges and fees charged by the custodians are also reviewed on a quarterly basis. BFCO does not receive any portion of the transaction charges or custodial fees.

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### Soft Dollars

BFCO has no soft dollar agreements with any brokerage or custodial firms. BFCO is not provided any Research or any other service based on directed brokerage transactions.

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### Order Aggregation

Most trade orders for client accounts are in open end, no-load (or load waived) mutual funds. There is no client benefit to trade aggregation with open end mutual funds. In some cases when exchange-traded funds, or individual stocks, are used for multiple accounts on the same day orders will be placed as “block trades” and then allocated to individual client accounts using the same average price for all clients involved with the various trades.

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### Trade Errors

BFCO has policies and procedures in place to avoid trade errors, but in some instances errors do still occur. In the event of a trade error attributed to BFCO, it is BFCO’s general policy to place the client in the position they would have been in had the error not occurred.

BFCO generally has a 60 day policy for discovering and correcting trade errors. BFCO does not have custody of any client accounts, or client funds. Our Trade Error policy is determined, or limited, by the policies of the various account custodians (i.e. Fidelity Investments, etc.).

Trade Errors will be reviewed to determine the cause, and in cases where BFCO is determined to be at fault, or where no fault can be determined, BFCO will pay any losses resulting from correcting the error. In the event that correcting an error caused by BFCO causes a gain, the proceeds of the gain will be held or distributed according to the various custodians policies (i.e. Fidelity Investments donates to charity, etc.). If it is determined that the client was at fault, (*i.e. client gives trade instructions by voicemail, email, or otherwise and does not speak directly with licensed representative, or gives incorrect instructions*) BFCO may, in its discretion, pay the loss or charge the loss (in whole or in part) to the client account.

## Review of Accounts

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### Periodic Reviews

Formal account reviews are performed quarterly. Informal Account reviews are performed more frequently when market conditions dictate or at the clients request.

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### Review Triggers

Other conditions that may trigger a review are market volatility, changes in the tax laws, new investment information, and changes in a client's personal financial circumstances.

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### Regular Reports

Account reviewers are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Clients receive periodic communications on at least an annual basis. *Investment Advisory Agreement* clients receive written quarterly performance reports prepared by BFCO. Financial Planning Agreement clients will receive periodic reports as specified in their individual agreements. These reports may include a net worth statement, portfolio statement, retirement analysis, and an estate planning analysis and a summary of objectives and progress towards meeting established objectives.

## Client Referrals and Other Compensation

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### Incoming Referrals

BFCO has been fortunate to receive many client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Agreements to compensate individuals or other parties for referrals are often referred to as “Solicitor Agreements”. If BFCO were to have a solicitor it would be disclosed to the client prior to opening an account through a “Solicitor Disclosure Statement” which would be provided along with this Firm Brochure.

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### Referrals Out

BFCO does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them. For example if a client is referred to a CPA for Tax Preparation services, or an Attorney for Estate Planning document preparation we are not compensated in any way for those referrals.

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### Other Compensation

Jay W. Branson and Maco S. Fowlkes are general agents/agents of various insurance companies. It is expected that there will be clients common to Branson, Fowlkes/Russell, Inc., and Branson, Fowlkes & Company, Inc.

## Custody

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### Account Statements

All assets are held at qualified custodians, which means, the custodians provide account statements directly to clients at their address of record at least quarterly. Currently our primary custodian is Fidelity Investments and they provide statements on a monthly basis as long as there is account activity. For accounts with no activity they receive statements quarterly.

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### Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided periodically by BFCO.

## Investment Discretion

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### Discretionary Authority for Trading

BFCO accepts discretionary authority to manage securities accounts on behalf of clients. BFCO has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, BFCO consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.



The client approves the custodian to be used and the commission rates paid to the custodian. BFCO does not receive any portion of the transaction fees or commissions paid by the client to the custodian on securities trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment strategy established for your account(s).

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### **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved. This trading authority is established in the Investment Advisory Agreement and in the documentation required to open an account with the custodian. This authority is limited to trades within the account and authorization to deduct BFCO's periodic investment advisory fee.

## **Voting Client Securities**

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### **Proxy Votes**

As a matter of firm policy and practice, our firm does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies.

## **Financial Information**

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### **Financial Condition**

BFCO does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because BFCO does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

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### **General**

BFCO has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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### **Disasters**

The Business Continuity Plan covers natural disasters such as, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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### **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.



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### **Loss of Key Personnel**

BFCO has signed a Business Continuation Agreement between the two owners outlining the course of action to take in the event that Mr. Branson or Mr. Fowlkes have a serious disability or their untimely death.

## **Information Security Program**

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### **Information Security**

BFCO maintains a comprehensive information security program to reduce the risk that your personal and/or confidential information may be breached.

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### **Privacy Notice**

BFCO is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. We have a written document titled “Privacy Policy for Clients of Branson, Fowlkes & Company, Inc. Our Commitment to Your Privacy:” which we provide to all clients initially and annually thereafter.

The categories of nonpublic information that we collect from you may include information necessary to open various accounts with 3<sup>rd</sup> party custodians, information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties. We use this information to help in the planning process in attempting to meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. We will not share information without your permission. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

BFCO requires that advisors in its employ have a bachelor's degree and/or further coursework demonstrating knowledge of investment management and financial planning. Examples of acceptable coursework include: an MBA, a CFP®, a ChFC®, CLU®, CAP®, JD or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

**Certified Financial Planner (CFP®):** Certified Financial Planners are licensed by the CFP Board to use the CFP® mark. CFP® certification requirements:

- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

**Chartered Financial Consultant (ChFC®):** Chartered Financial Consultants are licensed by The American College. The American College is a nonprofit educational institution with the highest level of academic accreditation, dedicated to leadership in innovative training and development for financial services professionals. ChFC® designation requirements include:

- Completion of eight or more college-level courses on all aspects of financial planning from The American College including Financial Planning Process, Financial Planning Applications, Insurance Planning, Income Taxation, Retirement Planning, Estate Planning and Investments.
- 3 Years of related Business Experience Required.
- Take a Professional Ethics Pledge
- Maintain 30 hours of Professional Achievement in Continuing Education (PACE) for Recertification every 2 years.

**Chartered Life Underwriter (CLU®):** Chartered Life Underwriter® is a designation of insurance expertise sponsored by The American College. The American College is a nonprofit educational institution with the highest level of academic accreditation, dedicated to leadership in innovative training and development for financial services professionals. CLU® designation requirements include:

- Completion of selected course work from The American College related to insurance.
- 3 Years of related Business Experience Required.
- Take a Professional Ethics Pledge
- Maintain 30 hours of Professional Achievement in Continuing Education (PACE) for Recertification every 2 years.

**Chartered Advisor in Philanthropy® (CAP®):** Chartered Advisor in Philanthropy® is a designation of philanthropy expertise sponsored by The American College. The American College is a nonprofit educational institution with the highest level of academic accreditation, dedicated to leadership in innovative training and development for financial services professionals. CAP® designation requirements include:

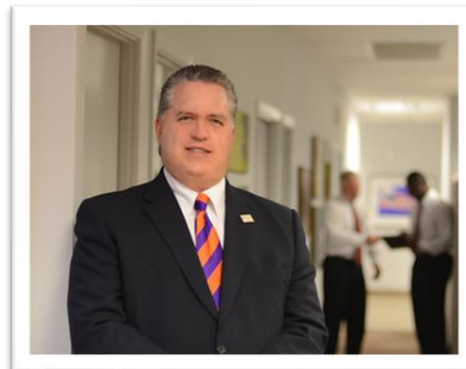
- Completion of selected course work from The American College related to philanthropy.
- Take a Professional Ethics Pledge
- Maintain 30 hours of Professional Achievement in Continuing Education (PACE) for Recertification every 2 years.

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**Jay W. Branson, CFP®, ChFC®**

**Educational Background:**

- Born 1956
- Certified Financial Planner, Chartered Financial Consultant, Registered Securities Principal, Chief Compliance Officer
- College for Financial Planning – CFP Certificate 1987
- The American College – ChFC Certificate 1999



**Business Experience:**

- Branson, Fowlkes & Company, Inc. – Principal (1990-Current)
- Branson, Fowlkes/Russell, Inc. – Principal (1991-Current)
- Triad Advisors, LLC. – Registered Rep., Registered Principal (2008–2022)
- American General Securities, Inc. – Registered Rep., Registered Principal (1996-2008)

**Disciplinary Information:** Mr. Branson has not been involved in any material legal or disciplinary events related to past or present investment clients.

**Other Business Activities:** Mr. Branson is a Principal and shareholder of Branson, Fowlkes/Russell, Inc. “BF/R”. BF/R is also a SEC registered investment advisory firm. Mr. Branson is a licensed insurance agent and can offer various life insurance and annuity products to clients. It is expected that there will be clients common to Branson, Fowlkes/Russell, Inc., and Branson, Fowlkes & Company, Inc.

**Additional Compensation:** None

**Supervision:**

Mr. Branson as Chief Compliance Officer is responsible for supervising his own work. He is a fiduciary and must always act in the clients best interests.

**SUPERVISOR’S contact information:** Jay W. Branson

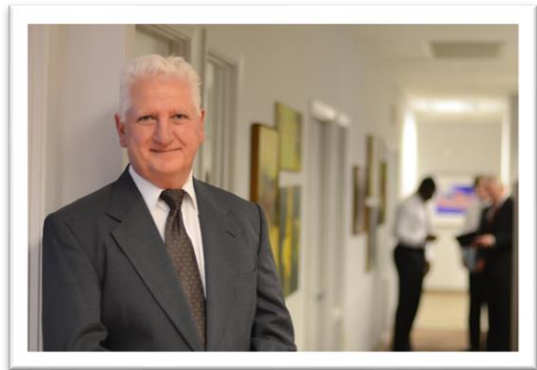
**PHONE** – 713.780.0606 **EMAIL** – [jbranson@bransonfowlkes.com](mailto:jbranson@bransonfowlkes.com)

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**Maco Stewart Fowlkes, CFP®, ChFC®,  
CLU®, CAP®**

**Educational Background:**

- Born 1956
- Certified Financial Planner, Chartered Financial Consultant, Chartered Life Underwriter
- College for Financial Planning – CFP Certificate 1987
- The American College – ChFC, CLU Certificates 1999
- Texas Tech University – BA Finance 1978
- American Graduate School of International Management – MBA 1979
- University of Houston – BS Petroleum Land Mgmt. 1982



**Business Experience:**

- Branson, Fowlkes & Company, Inc. – Principal (1990-Current)
- Branson, Fowlkes/Russell, Inc. – Principal (1991-Current)
- Triad Advisors, LLC. – Registered Rep., (2008–2022)
- American General Securities, Inc. – Registered Rep., Registered Principal (1996-2008)

**Disciplinary Information:** Mr. Fowlkes has not been involved in any material legal or disciplinary events related to past or present investment clients.

**Other Business Activities:** Mr. Fowlkes is a Principal and shareholder of Branson, Fowlkes/Russell, Inc. “BF/R”. BF/R is also a SEC registered investment advisory firm. Mr. Fowlkes is a licensed insurance agent and can offer various life insurance and annuity products to clients. It is expected that there will be clients common to Branson, Fowlkes/Russell, Inc., and Branson, Fowlkes & Company, Inc.

**Additional Compensation:** None

**Supervision:**

Mr. Fowlkes is supervised by Jay W. Branson, Chief Compliance Officer. He reviews Mr. Fowlkes’ work through frequent office interactions as well as remote interactions. He also reviews Mr. Fowlkes’ activities through our client relationship management system.

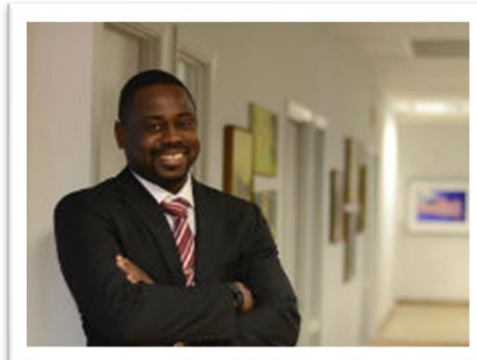
**SUPERVISOR’S contact information:** Jay W. Branson  
PHONE – 713.780.0606 EMAIL – jbranson@bransonfowlkes.com

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### **Trocon G. Reffell, CFP®**

#### **Educational Background:**

- Born 1983
- Certified Financial Planner
- College for Financial Planning – CFP Certificate 2021
- Rice University Certified Financial Planning Education Program 2019
- Duquesne University – B.S. Finance 2005



#### **Business Experience:**

- Branson, Fowlkes & Company, Inc. – Investment Adviser Representative (2023-Current)
- Branson, Fowlkes/Russell, Inc. – Investment Adviser Representative (2023-Current)
- Triad Advisors, LLC. – Registered Rep (2010–2022)
- Ameriprise Financial Services – Registered Rep (2006-2009)

**Disciplinary Information:** Mr. Reffell has not been involved in any material legal or disciplinary events related to past or present investment clients.

**Other Business Activities:** Mr. Reffell prepares tax returns for a limited number of clients that may or may not also be clients of BFR and BFCO.

**Additional Compensation:** None

#### **Supervision:**

Mr. Reffell is supervised by Jay W. Branson, Chief Compliance Officer. He reviews Mr. Reffell's work through frequent office interactions as well as remote interactions. He also reviews Mr. Reffell's activities through our client relationship management system.

**SUPERVISOR'S contact information:** Jay W. Branson

**PHONE** – 713.780.0606 **EMAIL** – jbranson@bransonfowlkes.com

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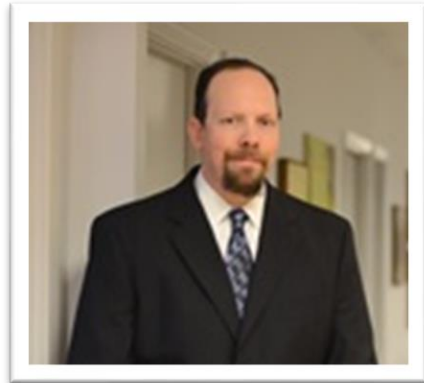
## Mark E. Wilson

### Educational Background:

- Born 1977
- Texas A&M Certified Financial Planning Education Program 2020
- University of Houston – M.B.A. Finance Concentration 2006
- University of Houston/Clear Lake – B.A. Finance 1999

### Business Experience:

- Branson, Fowlkes & Company, Inc. – Investment Adviser Representative (2023-Current)
- Branson, Fowlkes/Russell, Inc. – Investment Adviser Representative (2023-Current)
- Triad Advisors, LLC. – Registered Rep 2008–2022)
- American General Securities, Inc. – Registered Rep., Registered Principal (2001-2008)



Disciplinary Information: Mr. Wilson has not been involved in any material legal or disciplinary events related to past or present investment clients.

Other Business Activities: None

Additional Compensation: None

### Supervision:

Mr. Wilson is supervised by Jay W. Branson, Chief Compliance Officer. He reviews Mr. Wilson's work through frequent office interactions as well as remote interactions. He also reviews Mr. Wilson's activities through our client relationship management system.

SUPERVISOR'S contact information: Jay W. Branson

PHONE – 713.780.0606 EMAIL – [jbranson@bransonfowlkes.com](mailto:jbranson@bransonfowlkes.com)

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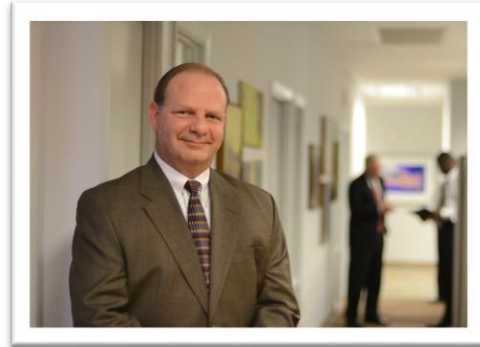
## Dallas Leigh Jones

### Educational Background:

- Born 1961
- United States Army Aviation 1984 – 1988
- United States Military Academy WestPoint, NY 1983

### Business Experience:

- Branson, Fowlkes & Company, Inc. – Portfolio Manager 2004 – Current
- Branson, Fowlkes/Russell, Inc. – Investment Adviser Representative (2023-Current)



Disciplinary Information: Mr. Jones has not been involved in any material legal or disciplinary events related to past or present investment clients.

Other Business Activities: None

Additional Compensation: None

### Supervision:

Mr. Jones is supervised by Jay W. Branson, Chief Compliance Officer. He reviews Mr. Jones' work through frequent office interactions as well as remote interactions. He also reviews Mr. Jones' activities through our client relationship management system.

SUPERVISOR'S contact information: Jay W. Branson

PHONE – 713.780.0606 EMAIL – [jbranson@bransonfowlkes.com](mailto:jbranson@bransonfowlkes.com)

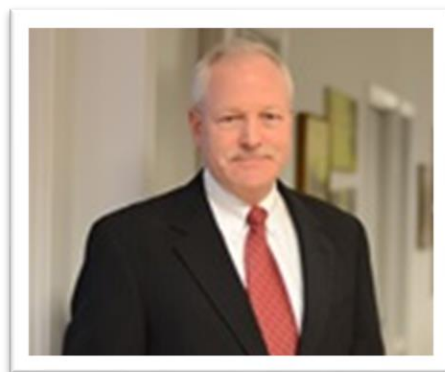


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## Michael S. Bishop

### Educational Background:

- Born 1958
- The American College Certified Financial Planning Education Program 2019
- Texas Tech University – B.A. Finance 1982



### Business Experience:

- Branson, Fowlkes & Company, Inc. – Associate/Advisor (2023-Current)
- Branson, Fowlkes/Russell, Inc. – Investment Adviser Representative (2023-Current)
- Triad Advisors, LLC. – Registered Rep 2008–2022)
- American General Securities, Inc. – Registered Rep., Registered Principal (1999-2008)

Disciplinary Information: Mr. Jones has not been involved in any material legal or disciplinary events related to past or present investment clients.

Other Business Activities: None

Additional Compensation: None

### Supervision:

Mr. Bishop is supervised by Jay W. Branson, Chief Compliance Officer. He reviews Mr. Bishop's work through frequent office interactions as well as remote interactions. He also reviews Mr. Bishop's activities through our client relationship management system.

SUPERVISOR'S contact information: Jay W. Branson

PHONE – 713.780.0606 EMAIL – jbranson@bransonfowlkes.com