

# **Paragon Financial Services**

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## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Paragon Financial Services. If you have any questions about the contents of this brochure, please contact us at 804-673-8888. 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 Paragon Financial Services is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Paragon Financial Services is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated February 28, 2022, we have the following material changes to report.

We have begun to offer tax preparation, tax planning and estate planning solutions to clients of Paragon Financial Services. Consequently, the following items in the disclosure brochure have been amended as follows:

- Item 4 Advisory Business / Financial Planning Services has been amended to include the following service offering:

### "Estate and Tax Planning Coordination Services

Paragon offers estate planning coordination services to its financial planning clients in need of basic estate planning assistance. In order to provide the estate planning coordination services, Paragon has contracted with Encore Estate Plans. Encore Estate Plans provides an online platform to help coordinate the creation of estate planning documents based on information provided by you via a comprehensive questionnaire which may be completed on paper or online. Once complete, the estate plan will be returned by Encore Estate Plans to Paragon for delivery to you.

In addition, Paragon offers its financial planning clients tax preparation and tax planning coordination services to clients in need of basic or complex tax preparation or planning assistance through its affiliate Paragon Tax Strategy. Paragon Tax Strategy, through its relationship with United Cloud Partners Services, provides Paragon clients access to individuals who have obtained the Certified Professional Accountant ("CPA") designation and are in good standing with the American Institute of CPAs. Paragon Financial Services will help coordinate with the CPA during the creation of tax preparation and / or tax planning documents based on information provided by you. Once complete, Paragon Financial Services will coordinate with Paragon Tax Strategy for the documents and planning recommendations for delivery to you.

As part of these coordination services, Paragon does not provide tax advice, legal advice or legal services, but only facilitates the coordination and interpretation of tax planning or estate planning documents based on the information provided by you. You may be referred / recommended to a local tax or estate planning attorney for deeper examination / review of your tax preparation and / or planning documents. Please see Item 5 Fees and Compensation, Item 10 Other Financial Industry Activities and Affiliations, and Item 14 Client Referrals and Other Compensation of this brochure for additional information regarding our relationship with Encore Estate Plans or our affiliation with Paragon Tax Strategy."

- Item 5 Fees and Compensation has been amended to include the following disclosure regarding compensation:

"Clients retaining Paragon for estate planning coordination services will pay a flat fee to cover the cost of Encore Estate Plans. Depending on each client's financial profile and need, Paragon retains the right to waive the fee payable to Paragon for the Encore Estate Plan. Please see Item 10 Financial Industry Affiliations and 14 Client Referrals and Other Compensation for additional information.

Clients retaining Paragon for tax preparation and tax planning coordination services through our affiliate Paragon Tax Strategy will pay a flat fee to Paragon Tax Strategy to cover the costs by the CPA of United Cloud Partners Services to develop, prepare, file (if necessary), and deliver the tax preparation or planning documents. Please see Item 10 Financial Industry Affiliations and Item 14 Client Referrals and Other Compensation for additional information."

- Item 10 Other Financial Industry Activities and Affiliations has been amended to include the following disclosure regarding our affiliates as follows:

"

**Preparation and Planning Coordination Services**

Associated persons of our firm who perform work for estate planning or tax preparation / planning clients that have chosen to engage Encore Estate Plans or Paragon Tax Strategy are salaried employees of Paragon Financial Services. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the *Fees and Compensation section of this brochure*.

As noted in Item 4 Advisory Business above, if you require tax preparation or tax planning services, we will recommend that you use the services of a CPA that is associated through Paragon Tax Strategy relationship with United Cloud Partners Services. Our advisory services are separate and distinct from the compensation paid for tax preparation and / or tax planning services to Paragon Tax Strategy or United Cloud Partners Services. United Cloud Partners Service, and its CPAs, is otherwise regulated by the professional organizations to which it belongs and must comply with the rules of those organizations. These rules may prohibit paying or receiving referral fees to or from investment advisers that are not members of the same organization.

Referral arrangements with our affiliate, Paragon Tax Strategy, presents a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by Paragon Tax Strategy and United Cloud Partners Services, which includes client service from Paragon Financial Services associated persons, is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of Paragon Tax Strategy or United Cloud Partners Services, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms."

- Item 14 Client Referrals and Other Compensation has been amended to include the following disclosure regarding compensation as follows:

"As disclosed under the Other Financial Industry Activities and Affiliations section in this brochure, associated persons of our firm who perform work for estate planning or tax preparation / planning clients that have chosen to engage Encore Estate Plans or Paragon Tax Strategy are salaried employees of Paragon Financial Services. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the *Fees and Compensation section*."

- Item 15 Custody has been amended to include the following disclosure:

**Wire Transfer and/or Standing Letter of Authorization**

Our firm, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate or individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

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## Item 4 Advisory Business

### Description of Services and Fees

Paragon Financial Services ("PFS") is a registered investment adviser primarily based in Richmond, Virginia. We are organized as a corporation under the laws of the State of Virginia. We have been providing investment advisory services since 2012. Simon Woon and Vickie Woon are our principal owners. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Portfolio Management Services
- Financial Planning Services
- Pension Consulting Services
- Advisory Consulting Services
- Sub-Advisory Services

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Paragon Financial Services and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

### Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we will customize an investment portfolio for you according to your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

### Financial Planning Services

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad, comprehensive, financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify

your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

### Estate and Tax Planning Coordination Services

Paragon offers estate planning coordination services to its financial planning clients in need of basic estate planning assistance. In order to provide the estate planning coordination services, Paragon has contracted with Encore Estate Plans. Encore Estate Plans provides an online platform to help coordinate the creation of estate planning documents based on information provided by you via a comprehensive questionnaire which may be completed on paper or online. Once complete, the estate plan will be returned by Encore Estate Plans to Paragon for delivery to you.

In addition, Paragon offers its financial planning clients tax preparation and tax planning coordination services to clients in need of basic or complex tax preparation or planning assistance through its affiliate Paragon Tax Strategy. Paragon Tax Strategy, through its relationship with United Cloud Partners Services, provides Paragon clients access to individuals who have obtained the Certified Professional Accountant ("CPA") designation and are in good standing with the American Institute of CPAs. Paragon Financial Services will help coordinate with the CPA during the creation of tax preparation and / or tax planning documents based on information provided by you. Once complete, Paragon Financial Services will coordinate with Paragon Tax Strategy for the documents and planning recommendations for delivery to you.

As part of these coordination services, Paragon does not provide tax advice, legal advice or legal services, but only facilitates the coordination and interpretation of tax planning or estate planning documents based on the information provided by you. You may be referred / recommended to a local tax or estate planning attorney for deeper examination / review of your tax preparation and / or planning documents. Please see Item 5 Fees and Compensation, Item 10 Other Financial Industry Activities and Affiliations, and Item 14 Client Referrals and Other Compensation of this brochure for additional information regarding our relationship with Encore Estate Plans or our affiliation with Paragon Tax Strategy.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.



We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Either party to the pension consulting agreement may terminate the agreement upon 30-days' written notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

- **Advisory Services to Retirement Plans**

As disclosed above, we offer various levels of advisory and consulting services to employee benefit plans ("Plan") and to the participants of such plans ("Participants"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor under ERISA Section 408(b)(2), we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan are described above, and in the service agreement that you have previously signed with our firm. Our compensation for these services is described below, at Item 5, and also in the service agreement. We may, with consent of the Plan, and in accordance with Plan documents, bill out-of-pocket expenses (such as overnight mailings, messenger, translation fees, etc.) at cost. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants. Nonetheless, since Associated Persons of our firm are registered representative and/or licensed insurance agents, these individuals may receive 12b-1 fees, revenue sharing or other forms of indirect compensation in connection with mutual fund investments allowable under applicable authority through LPL Financial, LLC (refer to Items 5, 12, and 14 for additional disclosures). If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

In providing services to the Plan and Participants, our status is that of an investment adviser registered with the States of Virginia and New Jersey and we are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting as a non-discretionary fiduciary of the Plan as defined in Section 3(21), only. We do not act as a discretionary "investment manager" of the Plan as defined in Section 3(38) under ERISA.



### **Advisory Consulting Services**

We also provide consulting services to our advisory clients. Such services generally relate to providing general and specific advice on investment selection for qualified retirement plan accounts.

### **Sub-Advisory Services**

We offer sub-advisory services to unaffiliated third party money managers (the "Primary Investment Adviser"). As part of these services, we will provide model portfolios, which the Primary Investment Adviser selects for their clients. We will not directly manage the Primary Investment Adviser's individual client accounts. The Primary Investment Adviser will be responsible for selecting the appropriate model for its clients

### **Wrap Fee Program(s)**

We are a portfolio manager to a wrap fee program, which is a type of investment program that provides clients with access to several money managers or mutual fund asset allocation models for a single fee that includes administrative fees, management fees, and commissions. If you participate in our wrap fee program, you will pay our firm a single fee, which includes our money management fees, certain transaction costs, and custodial and administrative costs. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program.

If you do not maintain at least \$250,000 in your account, you would not be eligible for the Wrap Fee Program and would incur transaction costs. However, in our sole discretion, we may combine the account values of family members living in the same household to determine the applicable account balance and/or advisory fee. For example, we may combine account values for you, your spouse, joint accounts with your spouse, your minor children, and other types of related accounts. Combining account values may increase the asset total, which may make you eligible to participate in the Program and may also result in paying a reduced advisory fee.

Transactions for your account must be executed by LPL Financial, LLC, a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with our investment Strategy and the brokerage commissions charged by LPL Financial, LLC or other broker-dealers, and the advisory fees charged by investment advisers. For more information concerning the Wrap Fee Program, please see *Appendix 1* to this Brochure.

### **Types of Investments**

We primarily offer advice on equity securities, mutual funds, exchange traded funds, annuities, corporate debt securities, municipal securities, investment company securities, US Government securities, options contracts on securities, and interest in partnerships investing in real estate, oil and gas interests, and others.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

In general, we manage wrap fee accounts on a discretionary basis based on a long-term investment strategy. However, we manage non-wrap fee accounts on either a discretionary or a non-discretionary basis, and may include a short-term investment strategy in managing this type of account. A long-term investment strategy will typically involve investing in securities that are anticipated to grow in value

over a relatively long period of time. On the other hand, a short-term investment strategy will typically involve purchasing and selling securities within a relatively short period of time based on these securities' short-term price fluctuations.

If you participate in our wrap fee program, we will provide you with a separate Wrap Fee Program Brochure explaining the program and costs associated with the program.

### **Assets Under Management**

As of December 31, 2022, we provide continuous management services for \$254,473,076 in client assets on a discretionary basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Services**

Our annual fee for portfolio management services varies between 0.80% - 1.50% depending upon the market value of your assets under our management, the type and complexity of the asset management services provided, as well as the level of administration requested either directly or assumed by the client. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion.

\*Certain legacy clients may be assessed a lower fee.

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last trading day of the previous quarter.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you, your spouse, joint accounts with your spouse, your minor children, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

You may terminate the portfolio management agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

We encourage you to reconcile the statement(s) you receive from the qualified custodian. If you find any inconsistent information please call our main office number located on the cover page of this brochure.

### **Financial Planning Services**

We charge a non-negotiable hourly fee of \$200 for financial planning services. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

We require that you pay 50% of the fee in advance and the remaining portion upon the completion of the services rendered. We will not require prepayment of a fee more than six months in advance and in excess of \$500.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Clients retaining Paragon for estate planning coordination services will pay a flat fee to cover the cost of Encore Estate Plans. Depending on each client's financial profile and need, Paragon retains the right to waive the fee payable to Paragon for the Encore Estate Plan. Please see Item 10 Financial Industry Affiliations and 14 Client Referrals and Other Compensation for additional information.

Clients retaining Paragon for tax preparation and tax planning coordination services through our affiliate Paragon Tax Strategy will pay a flat fee to Paragon Tax Strategy to cover the costs by the CPA of United Cloud Partners Services to develop, prepare, file (if necessary), and deliver the tax preparation or planning documents. Please see Item 10 Financial Industry Affiliations and Item 14 Client Referrals and Other Compensation for additional information.

### **Pension Consulting Services**

The compensation arrangement for these services will be a non-negotiable hourly fee of \$200 payable upon completion of the services rendered. We will invoice you quarterly.

You may terminate the pension consulting services agreement by providing 30-days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Sub-Advisory Services**

Our fees for Sub-Advisory services are negotiated on a case-by-case basis with each investment adviser that uses our model portfolios.

### **Advisory Consulting Services**

We charge a non-negotiable hourly fee of \$200 for advisory consulting services. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee. We require that you pay our firm 50% of the fee in advance and the remaining portion upon the completion of the services rendered. We will not require prepayment of a fee more than six months in advance and in excess of \$500.

Alternatively, depending on the arrangements made at the time of the engagement, we may charge fees for advisory consulting services based on a percentage of your assets we manage as set forth in the fee schedule listed above for Portfolio Management. In that case, our advisory consulting fee will be billed and payable quarterly in advance based on the value of your account on the last trading day of the previous quarter. If the advisory consulting agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you, your spouse, joint accounts with your spouse, your minor children, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

Regardless of whether you pay us hourly or as a percentage of the assets we manage, you may terminate the advisory consulting agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the advisory consulting agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client or in proportion to the number of hours we spent in providing you consulting services. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

We encourage you to reconcile the statement(s) you receive from the qualified custodian. If you find any inconsistent information please call our main office number located on the cover page of this brochure

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. The current transaction costs range from \$4.50 - \$26.50 per transaction basis. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. On occasion and in our sole discretion we may absorb such transaction charges. To fully understand the total cost you will incur, you should review all fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are registered representatives with LPL Financial, LLC ("LPL"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. When appropriate, we may recommend the purchase of "no-load" funds. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

We may recommend that you purchase variable annuities to be included in your investment portfolio(s). Persons providing investment advice on behalf of our firm may earn commissions on the sale of the variable annuities in his or her capacity as a registered representative of LPL. Annuities will be purchased for your account only after you receive a prospectus disclosing the terms of the annuity. You are under no obligation, contractually or otherwise, to purchase variable annuities through any person affiliated with our firm.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

### **Item 7 Types of Clients**

We offer investment advisory services to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

If you do not maintain at least \$250,000 in your account, you would not be eligible for the Wrap Fee Program and would incur transaction costs.

In general, we require a minimum of \$25,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you, your spouse, joint accounts with your spouse, your minor children, and other types of related accounts to meet the stated minimums.

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

We will use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and attempt to gauge the direction of both the overall market and specific securities.

- **Risk:** The risk of technical analysis is it may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

- **Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

- **Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

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

- **Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

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



We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses. However, there is a risk that frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

We also offer tactically managed investment approaches based on quantitative research. There are different allocation strategies available to clients depending on their risk/client profile. Because we are tactical, we have the discretion to be as fully invested in a given asset class as your risk profile allows, yet as underinvested in a given asset classes as possible (which is 0%). From that point of view, there exists risk of missed upside opportunity in the asset classes where no exposure exist at a given time. When we are fully invested in a given asset class, there exists risk of increased volatility given the overweighed exposure (that is relative to traditional investment management solutions).

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

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

### **Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section in this brochure, we recommend equity securities, mutual funds, exchange traded funds, annuities, corporate debt securities, municipal securities, investment company securities, US Government securities, options contracts on securities, and interest in partnerships investing in real estate, oil and gas interests, and others. We do not, however, necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with that investment.



## Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

## Item 10 Other Financial Industry Activities and Affiliations

We have other financial industry activities and affiliations described below because we have a relationship or arrangement that is material to our advisory business that we provide to clients.

### Registrations with Broker-Dealer

Although not considered a "related person" (since Paragon Financial Services and LPL Financial, LLC ("LPL") are not under common control or ownership) you should be aware that persons providing investment advice on behalf of our firm are registered representatives with LPL, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

### Independent Insurance Agents

We do not have any "affiliation" (as that term is defined by state and federal law) with any insurance company or agency since we are not under common control and ownership with any insurance company or agency. However, you should be aware that persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

### Preparation and Planning Coordination Services

Associated persons of our firm who perform work for estate planning or tax preparation / planning clients that have chosen to engage Encore Estate Plans or Paragon Tax Strategy are salaried employees of Paragon Financial Services. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the *Fees and Compensation section of this brochure*.

As noted in Item 4 Advisory Business above, if you require tax preparation or tax planning services, we will recommend that you use the services of a CPA that is associated through Paragon Tax Strategy relationship with United Cloud Partners Services. Our advisory services are separate and distinct from the compensation paid for tax preparation and / or tax planning services to Paragon Tax Strategy or United Cloud Partners Services. United Cloud Partners Service, and its CPAs, is otherwise regulated by the professional organizations to which it belongs and must comply with the rules of those organizations. These rules may prohibit paying or receiving referral fees to or from investment advisers that are not members of the same organization.

Referral arrangements with our affiliate, Paragon Tax Strategy, presents a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by Paragon Tax Strategy and United Cloud Partners Services, which includes client service from Paragon Financial Services associated persons, is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of Paragon Tax Strategy or United Cloud Partners Services, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

### **Recommendation of LPL Financial**

PFS will generally recommend that clients establish a brokerage account with LPL Financial to maintain custody of clients' assets and to effect trades for their accounts. LPL Financial provides brokerage and custodial services to independent investment advisory firms, including PFS. For PFS's accounts custodied at LPL Financial, LPL Financial generally is compensated by clients through commissions, trails, or other transaction-based fees for trades that are executed through LPL Financial or that settle into LPL Financial accounts. For IRA accounts, LPL Financial generally charges account maintenance fees. In addition, LPL Financial also charges clients miscellaneous fees and charges, such as account transfer fees. LPL Financial charges PFS an asset-based administration fee for

administrative services provided by LPL Financial. Such administration fees are not directly borne by clients, but may be taken into account when PFS negotiates its advisory fee with clients. PFS does not have discretionary authority to choose the broker or dealer to be used for client transactions. PFS does not have discretionary authority over the commission rates paid to the broker or dealer.

While LPL Financial does not participate in, or influence the formulation of, the investment advice PFS provides, certain supervised persons of PFS are Dually Registered Persons. Dually Registered Persons are restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker-dealer or custodian that is not approved by LPL Financial. As a result, the use of other trading platforms must be approved not only by PFS, but also by LPL Financial.

Clients should also be aware that for accounts where LPL Financial serves as the custodian, PFS is limited to offering services and investment vehicles that are approved by LPL Financial, and may be prohibited from offering services and investment vehicles that may be available through other broker-dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through LPL Financial.

Clients should understand that not all investment advisers require, request or recommend that clients custody their accounts and trade through specific broker-dealers.

Clients should also understand that LPL Financial is responsible under FINRA rules for supervising certain business activities of PFS and its Dually Registered Persons that are conducted through broker-dealers and custodians other than LPL Financial. LPL Financial charges a fee for its oversight of activities conducted through these other broker-dealers and custodians. This arrangement presents a conflict of interest because PFS has a financial incentive to recommend that you maintain your account with LPL Financial rather than with another broker-dealer or custodian to avoid incurring the oversight fee.

#### **Benefits Received by PFS Personnel**

LPL Financial makes available to PFS various products and services designed to assist PFS in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of PFS's accounts, including accounts not held with LPL Financial. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of PFS's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL Financial also makes available to PFS other services intended to help PFS manage and further develop its business. Some of these services assist PFS to better monitor and service program accounts maintained at LPL Financial, however, many of these services benefit only PFS, for example, services that assist PFS in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by PFS in furtherance of the operation and development of its investment advisory business.

Where such services are provided by a third party vendor, LPL Financial will either make a payment to PFS to cover the cost of such services, reimburse PFS for the cost associated with the services, or pay the third party vendor directly on behalf of PFS.

The products and services described above are provided to PFS as part of its overall relationship with LPL Financial. While as a fiduciary PFS endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because PFS' recommendation that clients custody their assets at LPL Financial is based in part on the benefit to PFS of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL Financial. PFS's receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL Financial platform.

#### **Research and Other Soft Dollar Benefits**

We do not receive any soft dollar benefits from any broker-dealer.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### **Directed Brokerage**

We routinely require that you direct our firm to execute transactions through LPL. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Persons providing investment advice on behalf of our firm who are registered representatives of LPL will recommend LPL to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from LPL unless LPL provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through LPL. It may be the case that LPL charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through LPL, these individuals (in their separate capacities as registered representatives of LPL) may earn commission-based compensation as result of placing the recommended securities transactions through LPL. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. However, if you do not use LPL, we may not be able to accept your account. Please see the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent us from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

#### **Block Trades**

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the

shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

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

Our current advisers of record are Simon Woon and Ryan Smith. Your adviser of record will monitor your accounts on an ongoing basis and will conduct account reviews at least annually. At your review, your adviser will ensure that the advisory services provided to you and/or the portfolio mix are consistent with your stated investment needs and objectives. Your adviser will offer to meet with you at least annually to provide a portfolio review, including review of allocation, holding and performance reports. Additional reviews may be conducted at your request based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. In addition, you will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

We will review your financial plan only at your request. Otherwise, we do not review or monitor your financial plan, or review statements you receive from your third-party money manager or account custodian. At your request, we may meet with you and/or your third-party money manager(s) to discuss asset allocation, but we will not make recommendations regarding specific investments or provide any regular written reports to you. Our standard hourly rate applies in this regard.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with LPL.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with LPL, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the *Fees and Compensation* section.

As disclosed under the Other Financial Industry Activities and Affiliations section in this brochure, associated persons of our firm who perform work for estate planning or tax preparation / planning clients that have chosen to engage Encore Estate Plans or Paragon Tax Strategy are salaried employees of Paragon Financial Services. The fee you pay includes client service from salaried employees of Paragon Financial Services.

For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the *Fees and Compensation* section.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees when you specifically authorize us to do so. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

You should reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us immediately at the telephone number on the cover page of this brochure.

### **Wire Transfer and/or Standing Letter of Authorization**

Our firm, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate or individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.



## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 18 Financial Information

We are not required to provide a balance sheet or other financial information to our clients because we do not require the prepayment of fees in excess of \$1200 and six months or more in advance; and we do not take custody of client funds or securities. Moreover, we have never been the subject of a bankruptcy petition.

On 04/15/2020, the firm received a Paycheck Protection Program ("PPP") loan in the amount of \$88,000 through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Due to the economic uncertainties surrounding the current COVID-19 pandemic, we believed it was necessary and prudent for us to apply for, and accept, the Payroll Protection Program loan offered by the Small Business Administration in order to support our ongoing operations. The firm used the PPP funds to continue payroll for the firm's employees, and make other permissible payments. The loan is forgivable provided the firm satisfies the terms of the loan program. As of 01/06/2021 the firm satisfied the terms of the loan program and the loan has been forgiven.

## Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.



## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit. Moreover, we do not determine whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf.