

# Inman Financial Services, Inc. DBA Inman Financial Services Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Inman Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at (503) 906-2650 or by email at: [dave@inmanfinancial.com](mailto:dave@inmanfinancial.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 Inman Financial Services, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Inman Financial Services, Inc.'s CRD number is: 297414.*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment of Inman Financial Services, Inc. on 03/17/2022. Material changes relate to Inman Financial Services, Inc. policies, practices or conflicts of interests only.

## Item 3: Table of Contents

Item 1: Cover Page

### Table of Contents

Item 2: Material Changes .....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business.....	5
A. Description of the Advisory Firm .....	5
B. Types of Advisory Services .....	5
C. Client Tailored Services and Client Imposed Restrictions .....	7
D. Wrap Fee Programs .....	7
E. Assets Under Management.....	7
Item 5: Fees and Compensation .....	8
A. Fee Schedule .....	8
B. Payment of Fees .....	9
C. Client Responsibility For Third Party Fees.....	10
D. Prepayment of Fees .....	10
E. Outside Compensation For the Sale of Securities to Clients .....	10
Item 6: Performance-Based Fees and Side-By-Side Management .....	10
Item 7: Types of Clients .....	10
Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss .....	10
A. Methods of Analysis and Investment Strategies.....	10
B. Material Risks Involved .....	11
C. Risks of Specific Securities Utilized .....	11
Item 9: Disciplinary Information.....	13
A. Criminal or Civil Actions.....	13
B. Administrative Proceedings.....	13
C. Self-regulatory Organization (SRO) Proceedings .....	13
Item 10: Other Financial Industry Activities and Affiliations.....	13
A. Registration as a Broker/Dealer or Broker/Dealer Representative .....	13
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.....	14
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests .....	14
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections .....	14
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
A. Code of Ethics .....	14
B. Recommendations Involving Material Financial Interests.....	14
C. Investing Personal Money in the Same Securities as Clients.....	14
D. Trading Securities At/Around the Same Time as Clients' Securities .....	15
Item 12: Brokerage Practices.....	15
A. Factors Used to Select Custodians and/or Broker/Dealers .....	15
1. Research and Other Soft-Dollar Benefits .....	15

2. Brokerage for Client Referrals .....	15
3. Clients Directing Which Broker/Dealer/Custodian to Use.....	16
B. Aggregating (Block) Trading for Multiple Client Accounts .....	16
Item 13: Review of Accounts .....	16
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews .....	16
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts .....	16
C. Content and Frequency of Regular Reports Provided to Clients.....	16
Item 14: Client Referrals and Other Compensation.....	17
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes) .....	17
B. Compensation to Non – Advisory Personnel for Client Referrals.....	18
Item 15: Custody.....	18
Item 16: Investment Discretion .....	18
Item 17: Voting Client Securities (Proxy Voting) .....	18
Item 18: Financial Information .....	19
A. Balance Sheet .....	19
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	19
C. Bankruptcy Petitions in Previous Ten Years .....	19

## Item 4: Advisory Business

### A. Description of the Advisory Firm

Inman Financial Services, Inc. (hereinafter “IFS”) is a Corporation organized in the State of Oregon. The firm was formed in December 1992, registered as an investment adviser in August 2018 and the principal owner is David Stuart Inman.

### B. Types of Advisory Services

#### *Portfolio Management Services*

IFS offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. IFS creates an Investment Policy Statement for each client, which outlines the client’s current situation (risk tolerance, time horizon, liquidity needs, rate of return goals, and any special considerations), and then constructs a plan for selecting a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

IFS evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

IFS seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of IFS’s economic, investment or other financial interests. To meet its fiduciary obligations, IFS attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, IFS’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is IFS’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

IFS is authorized to conduct ongoing model rebalancing in Account, and will execute all other purchases and sales of securities only after securing permission from Client regarding each transaction. Client will be notified in writing prior to any fund/security additions or removals being made to the model utilized in Account.

Services provided to clients utilizing American Funds are the same services as above offered to all other clients. American Funds services may be utilized by clients for various and differing reasons. Please see Item 5 for the differing fee schedule utilized for this service.

## ***Financial Planning***

IFS will provide planning services as described generally in this section.

- **Consultation and Data Collection** - IFS and Client will discuss Client's goals and objectives and gather needed data. The client will furnish IFS with complete and up-to-date information applicable to undertaking the requested services and inform IFS of changes to that information as needed. Client's original papers and documents will be returned. Selected copies will be kept in IFS client files and are the property of IFS.
- **Preparation** - IFS will review Client's data and objectives, and create reports based upon the services requested by Client.
- **Implementation** - IFS and Client will discuss findings, analysis, and prepared reports. Upon completion of the work, it will be the Client's decision as to where or when to implement any recommendations from IFS.

Financial plans and financial planning may include, but are not limited to:

- **Investment planning** - Assessing client's current investment portfolio and allocations including analysis of individual securities and funds. Comparing current risk with client's time horizon and risk tolerance. Analyzing and recommending a customized investment solution that meets the client's needs and suits their risk tolerance.
- **Life insurance** - Evaluating the client's current life, health, long-term care, and disability insurance policies, and making suitable recommendations as needed regarding amounts and types of insurance coverages to hold going forward.
- **Tax concerns** - Reviewing the client's current and potential financial decisions for tax efficiency and benefit, and making suitable recommendations as needed.
- **Retirement planning** - Providing client with a clear picture of the cash flow they can expect to receive from all sources beginning at retirement throughout the rest of their life, including the effects of taxes and inflation. Equipping client to understand the amount of savings required to reach their goals and giving them proactive solutions to any projected shortfall in retirement income.
- **College planning** - Providing client with options and recommendations for funding college expenses as needed including a detailed projection of necessary savings amounts to meet their funding goals.
- **Estate planning** - Assist clients with examining their will, beneficiaries, trust, health-care directives and personal estate goals, and recommend modifications where appropriate. If clients need to create or revise these items, an overview of the available options and connections to a network of trusted professionals are provided.
- **Debt/credit planning** - Giving client potential strategies to reduce debt and improve their credit as needed. Assisting with budgeting counsel and tools to help manage cash flow going forward.

## ***Written Acknowledgement of Fiduciary Status***

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

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

### ***Services Limited to Specific Types of Investments***

IFS generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, commodities, non-U.S. securities, venture capital funds and private placements. IFS may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

IFS will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by IFS on behalf of the client. IFS may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent IFS from properly servicing the client account, or if the restrictions would require IFS to deviate from its standard suite of services, IFS reserve the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. IFS does not participate in wrap fee programs.

### **E. Assets Under Management**

As of December 2022, IFS had \$118,729,480.00 in assets under management under discretionary basis.

## Item 5: Fees and Compensation

### A. Fee Schedule

#### ***Portfolio Management Fees***

##### **TD Ameritrade:**

Total Assets Under Management	Annual Fees
The first \$500,000 (up to \$500,000)	0.90%
The next \$500,000 (up to \$1,000,000)	0.80%
The next \$500,000 (up to \$1,500,000)	0.70%
The next \$500,000 (up to \$2,000,000)	0.60%
The next \$500,000 (up to \$2,500,000)	0.50%
The next \$500,000 (up to \$3,000,000)	0.40%
Assets above \$3,000,000	0.30%

##### **American Funds:**

Total Assets Under Management	Annual Fees
\$0 - \$499,999.99	0.70%
\$500,000.00 - \$999,999.99	0.60%
\$1,000,000.00 - \$1,499,999.99	0.50%
\$1,500,000.00 - \$1,999,999.99	0.40%
\$2,000,000.00 and above	0.30%

Multiple client accounts utilizing the tiered fee schedule will be aggregated for calculation purposes. IFS uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

*Fee formula description: For purposes of calculating the client's portfolio management fees described above, an example is offered below for a sample \$1,200,000 account:*

- For that portion of the client's account(s) up to \$500,000 the adviser will charge an annual fee of 0.90% as described above, resulting in an annual fee of \$4,500 on the first \$500,000; plus
- For that portion of the client's account(s) exceeding \$500,000 but not exceeding \$1,000,000, the adviser will charge an annual fee of 0.80% as described above,

*resulting in an annual fee of \$4,000 on the portion between \$500,000 and \$1,000,000; plus*

- For that portion of the client's account(s) exceeding \$1,000,000 but not exceeding \$1,200,000, the adviser will charge an annual fee of 0.70% as described above, resulting in an annual fee of \$1,400 on the portion between \$1,000,000 and \$1,200,000.*

*This would result in a total annual fee of \$9,900 on the sample \$1,200,000 account.*

These fees are generally negotiable, and the final fee schedule will be memorialized in the client's Investment Advisory Agreement. Clients may terminate the agreement via written notice without penalty, and for full refund of IFS's fees, within 5 business days of signing the Investment Advisory Agreement. Thereafter, clients may terminate the agreement immediately upon written notice.

## ***Financial Planning Fees***

### **Fixed Fees**

The fixed rate for creating client financial plans is between \$700 and \$5,000. This fee is based upon an hourly rate of \$150-250/hour depending on the employee completing the work and is based on an estimate of the total staff hours it will take to prepare the plan. These rates are generally negotiable, and the final fee schedule will be memorialized in the client's Financial Planning Agreement.

Clients may terminate the agreement via written notice without penalty, and for full refund of IFS's fees, within 5 business days of signing the Financial Planning Agreement provided that the meeting to review the completed financial plan has not already taken place.

Clients have the option to purchase investment products that IFS recommends through other brokers or agents that are not affiliated with IFS.

## **B. Payment of Fees**

When required by law, IFS will send the client a written invoice that includes the fee, the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, and, if applicable, the amount of assets under management on which the fee was based. The invoice will also contain the name of the custodian(s) and the account number(s). IFS will send these invoices to the client concurrent with the request for payment or actual payment of the adviser's advisory fees. Clients are encouraged to compare this information with the fees listed in the account statement and the fees specified in the Investment Advisory Agreement.

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Management fees will be prorated based upon the number of days the account was open with regard to any partial quarterly billing periods.

## ***Payment of Financial Planning Fees***

Financial planning fees are paid via check or credit card. Fixed financial planning fees are paid upon completion. IFS will deliver the plan to the client when it has been completed. In the case of early termination prior to completion of the plan, IFS will only deliver the prepared portion of the plan for which payment has been received.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by IFS. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees**

IFS collects its fees in arrears. It does not collect fees in advance.

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither IFS nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

IFS do not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

IFS generally provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals

For financial planning services, IFS doesn't require an account minimum. For investment management services, IFS requires a minimum total investment of \$250,000 or a minimum account size of \$50,000. This is negotiable at the discretion of IFS and in certain circumstances.

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

### **A. Methods of Analysis and Investment Strategies**

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

IFS's methods of analysis include Fundamental analysis and Modern portfolio theory.

**Fundamental analysis** involves the analysis of financial statements, general financial health, management strength, and competitive advantages as it pertains to investment companies, investment funds, and their individual holdings.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

### ***Investment Strategies***

IFS uses long-term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

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

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Modern portfolio theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### ***Investment Strategies***

**Long-term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither IFS nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither IFS nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

David Stuart Inman and Micah Everett Dorr are licensed insurance agents. From time to time, they will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Inman Financial Services, Inc. always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Inman Financial Services, Inc. in their capacity as a licensed insurance agent.

## **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

IFS does not utilize nor select third-party investment advisers.

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

## **A. Code of Ethics**

IFS has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. IFS's Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

IFS does not recommend that clients buy or sell any security in which a related person to IFS or IFS has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of IFS may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of IFS to buy or sell

the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. IFS will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of IFS may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of IFS to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, IFS will never engage in trading that operates to the client's disadvantage if representatives of IFS buy or sell securities at or around the same time as clients.

### **Item 12: Brokerage Practices**

#### **A. Factors Used to Select Custodians and/or Broker/Dealers**

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

IFS will recommend clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC, or American Funds, a division of Capital Group, member FINRA/SIPC.

#### **1. Research and Other Soft-Dollar Benefits**

While IFS has no formal soft dollars program in which soft dollars are used to pay for third party services, IFS may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). IFS may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and IFS does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. IFS benefits by not having to produce or pay for the research, products or services, and IFS will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that IFS's acceptance of soft dollar benefits may result in higher commissions charged to the client.

#### **2. Brokerage for Client Referrals**

IFS receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **3. Clients Directing Which Broker/Dealer/Custodian to Use**

IFS does not allow its clients to direct brokerage. IFS recommends one or more custodians or broker-dealers to effect securities transactions for its clients. The custodians or broker-dealers were chosen based on IFS's fiduciary responsibilities to provide best execution.

#### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If IFS buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, IFS would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. IFS would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

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

#### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts that have IFS's advisory services provided on an ongoing basis are reviewed at least monthly by David S Inman, President, with regard to clients' respective investment policies and risk tolerance levels. All accounts at IFS are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by David S Inman, President. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, IFS's services will generally conclude upon delivery of the financial plan.

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client that has IFS's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and deduction of fees. This

written statement will come from the custodian. IFS will also provide a separate written report to the client every quarter.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

IFS participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. IFS receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, IFS participates in TD Ameritrade's institutional advisor program and IFS may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between IFS's participation in the Program and the investment advice it gives to its clients, although IFS receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving IFS participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have IFS's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to IFS by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by IFS's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit IFS but may not benefit its client accounts. These products or services may assist IFS in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help IFS manage and further develop its business enterprise. The benefits received by IFS or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, IFS endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by IFS or its related persons in and of itself creates a conflict of interest and may indirectly influence the IFS's choice of TD Ameritrade for custody and brokerage services.

IFS participates in the institutional advisor program (the "Program") offered by American Funds (Capital Group). American Funds offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. IFS receives some benefits from Capital Group through its participation in the Program.

As disclosed above, IFS participates in American Funds' institutional advisor program and IFS may recommend American Funds to clients for custody and brokerage services. There is no direct link between IFS's participation in the Program and the investment advice it gives to its clients, although IFS receives economic benefits through its participation in the Program that are typically

not available to American Funds retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving IFS participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have IFS's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to IFS by third party vendors. American Funds may also pay for business consulting and professional services received by IFS's related persons. Some of the products and services made available by American Funds through the Program may benefit IFS but may not benefit its client accounts. These products or services may assist IFS in managing and administering client accounts, including accounts not maintained at American Funds. Other services made available by American Funds are intended to help IFS manage and further develop its business enterprise. The benefits received by IFS or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to American Funds. As part of its fiduciary duties to clients, IFS endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by IFS or its related persons in and of itself creates a conflict of interest and may indirectly influence the IFS's choice of American Funds for custody and brokerage services.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

IFS does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, IFS will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients are urged to compare the account statements they receive from custodians with the invoices sent from IFS.

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

IFS does not have discretion over client accounts at any time.

### **Item 17: Voting Client Securities (Proxy Voting)**

IFS will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

IFS neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither IFS nor its management has any financial condition that is likely to reasonably impair IFS's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

IFS has not been the subject of a bankruptcy petition in the last ten years.