

**Form ADV Part 2A, Brochure**  
**Item 1: Cover Page**

**Graylark Financial, LLC**

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August 4, 2023

This brochure (“**Brochure**”) provides information about the qualifications and business practices of Graylark Financial, LLC (“**Graylark**,” “**we**,” or “**us**”). If you have any questions about the content of this Brochure, please contact us at (720) 634-9400. This Brochure has not been approved by the United States Securities Exchange Commission (the “**SEC**”) or by any state securities authority. Additional information about Graylark is available on the SEC’s website, [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). Registration does not imply a certain level of skill or training.

**Item 2: Material Changes**

Since the initial filing of this Brochure, dated March 15, 2023, the following material changes have been made:

Graylark updated Item 10 to disclose its affiliation with Graylark Insurance Services LLC.

Each client and prospective client is encouraged to read this Brochure in its entirety.

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## Item 4: Advisory Business

### A. General Information

Graylark is an investment adviser located in Erie, Colorado that was formed in March 2023 as a Delaware limited liability company. The principal owners of Graylark are Brian Gray and Ashley Gray (the “**Principals**”).

Graylark offers investment advisory services to separately managed accounts (“**SMAs**”) for individuals, families, and entities with one or more accounts. Graylark may invest some or all of a Graylark client’s portfolio in third-party funds.

Investment advisory services are provided through consultation with the client and include: determination of financial objectives, understanding of risk, identification of any financial problems, portfolio analysis, and cash flow management.

Graylark is a “fee-only” investment advisory firm. Graylark does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other products for a commission. Affiliates of Graylark, however, may engage in the foregoing activities.

### B. Investment Advisory Services

In providing investment advisory services, Graylark considers each client’s financial goals, investment objectives and risk tolerance. Client portfolios may vary in structure based on needs, size, and economic and market trends at the time, but generally include exchange traded funds (“**ETFs**”), mutual funds, equities (e.g., common stocks and preferred stocks, options etc.), fixed-income (e.g., corporate, municipal, U.S. Treasury, and other government and agency), and cash and cash equivalents (e.g., money market and U.S. Treasury bills). In addition, appropriate client portfolios may also include, without limitation, private funds and other financial instruments. Clients may request reasonable restrictions on investments in certain financial instruments. Notice of requested restrictions is required to be given to Graylark in writing and must be agreed to by Graylark in writing.

Graylark offers to manage client assets on either a discretionary or non-discretionary basis.

#### *1. Discretionary Basis*

As a discretionary investment adviser, Graylark will have the authority to supervise and direct client portfolios without prior consultation with the client.

#### *2. Non-Discretionary Basis*

In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio. For non-discretionary accounts, the client may also execute a limited power of attorney, which allows Graylark to carry out trade recommendations and approved actions in the portfolio. However, in accordance with Graylark’s non-discretionary investment advisory agreement with the client, Graylark does not implement trading recommendations or other actions in the account unless and until the client has approved

the recommendation or action.

The use of non-discretionary accounts may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block.

#### C. Financial Planning Services

Graylark may provide financial planning services to those clients in need of such services in conjunction with investment advisory services. Financial planning services may also be offered as a stand-alone service for a separate fee. Graylark's financial planning services normally address areas such as tax planning, insurance review, education funding, retirement planning, and estate planning.

#### D. Type and Value of Assets Currently Managed

As of the date of this Brochure, Graylark had \$19,300,240 in discretionary assets under management.

### **Item 5: Fees and Compensation**

Graylark bases its fees on a percentage of assets under management. New investment advisory agreement fees are calculated on a work-scope basis and adjusted for complexity of individual situations.

Graylark, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon a number of criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.). All fees are subject to negotiation.

#### A. Investment Advisory Services Fee

The scope of work and fee for an investment advisory agreement is provided to the client in writing prior to the start of the relationship. An investment advisory agreement includes investment advisory services and periodic performance reporting.

Investment advisory services fees are generally payable quarterly, in advance, but Graylark may enter into arrangements where fees are billed in arrears or on a monthly basis. Fees are based on a percentage of assets under management. Fees will depend on the type and size of the account and the specific investment strategy employed. If an account is closed or transferred, Graylark has the right to prorate fees for the period of time the assets are under management.

While fees may be individually negotiated, clients will generally pay fees based on a percentage of assets under management in accordance with the following standard schedules:

<b><u>Portfolio Tiers</u></b>	<b><u>Annual Rate</u></b>
\$500,000 or less	1.50%
\$500,001 to \$1,000,000	1.25%
\$1,000,001 to \$5,000,000	1.00%
\$5,000,001 and above	0.80%

#### **B. Financial Planning Fees**

When Graylark provides financial planning services to clients, these fees may be included in the investment advisory services fees or may be charged as a separate fee. If financial planning services are not included in the investment advisory services fees, financial planning services fees may be charged hourly or as a flat fee. Fees will be charged in the manner and at the price as negotiated with each client. Hourly fees will be charged at no less than \$250 and flat fees will be charged at no less than \$1,000. Graylark, in its sole discretion, may waive such minimum fees and/or charge a lesser financial services fee based upon a number of criteria (e.g., historical relationship, related accounts, client financial position, etc.).

#### **C. Additional Fees**

To the extent consistent with the client's investment objectives and strategies, Graylark may invest client assets in unaffiliated investment vehicles, such as mutual funds, ETFs, and private funds. The fees charged by such funds are disclosed in each fund's prospectus or offering documents and are not included in Graylark's investment advisory services fee. In addition, clients may choose to participate in a custodian's sweep program, which may offer commingled investment vehicles such as money market mutual funds. All such funds typically incur fees for investment advisory, administrative, and distribution services.

The investment advisory services fee charged by Graylark also does not cover fees and charges in connection with: custodial fees, transaction and/or brokerage fees for the purchase or sale of securities, sub-advisory fees, margin interest, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfers, non-sufficient funds, bank wires, postage, costs associated with exchanging foreign currencies, and SEC fees or other fees or taxes required by law.

A client may incur transaction charges and/or brokerage fees when securities are purchased or sold for the client's account. These charges and/or fees are typically imposed by the broker-dealer or custodian through which the transactions are executed. For additional information with respect to Graylark's brokerage practices, see Item 12 below.

Custodians of client assets, especially in cases of accounts designated as a retirement account (i.e., IRA, Roth IRA, 401k, etc.), may charge a fee to cover the cost associated with the additional tax reporting these accounts require. This fee is charged and collected by the custodian and are in addition to the fees charged by Graylark.

Other fees may also be charged by the custodian in special situations, such as for legal

transfers, wire requests, check re-orders, insufficient funds, and other service-related fees. These fees are charged and collected by the custodian and are in addition to the fees charged by Graylark.

Regulatory agencies or other governing bodies may also assess fees.

#### **D. Payment**

Generally, fees are debited directly from specified client accounts unless other arrangements are made and mutually agreed to in writing (e.g., Graylark provides the client an invoice for direct payment outside of the client's accounts). Clients must consent in advance in writing to direct debiting of their investment accounts. Graylark will provide clients with a detailed invoice including the time period covered, fee amount, assets on which the fee was calculated and the formula used to calculate the fee. For accounts that pay in advance, if the account is terminated during the calendar quarter, the fee will be prorated based on the period of time during the quarter the account was open, and any unused portion of any fees paid in advance will be returned to the client.

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

Graylark does not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Graylark has no performance-based fee accounts, it has no side-by-side management.

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

As discussed in Item 4 above, Graylark provides investment advice to SMAs, which may include individuals, family offices, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or other entities. Client relationships vary in scope and length of service. Graylark has no account minimums.

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

The investment strategy for a specific client is based upon the objectives stated by the client during consultations.

##### **A. Methods of Analysis**

Graylark uses a combination of internal and external research to identify investments and construct portfolios designed to achieve the client's stated goals. Graylark may take a fundamental, technical or cyclical analysis approach when analyzing securities for inclusion in client portfolios. Graylark typically uses an asset allocation approach that favors mutual funds, ETFs, equities, fixed-income securities, and typically favors a diversified portfolio of securities.

##### ***1. Technical Analysis***

Technical analysis involves the examination of past market data rather than specific

company data in determining which securities to buy/sell. Technical analysis may involve the use of various quantitative-based calculations, variation metrics and charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of a company. These trends may include put/call ratios, pricing trends, moving averages, volume, and changes in volume, among many others. These trends, both short and long-term, are used for determining specific trade entry and exit points and broad economic analysis.

## *2. Cyclical Analysis*

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (e.g., the entire market/economy) or micro (e.g., company specific) level, rather than the overall fundamental analysis of the health of a particular company. Cyclical analysis involves the historical patterns and trends of securities, markets or economies as a whole in an effort to determine future behaviors, the estimation of price movement and an evaluation of a transaction before entry into the market in terms of risk and profit potential.

## *3. Fundamental Analysis*

Fundamental analysis is a method of evaluating a security in an attempt to assess its intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. Fundamental analysts study anything that can affect the security's value, including macroeconomic factors (e.g. economy and industry conditions) and microeconomic factors (e.g. financial conditions and company management). The end goal of fundamental analysis is to produce a quantitative value that an investor can compare with a security's current price, thus indicating whether the security is undervalued or overvalued.

# B. Investment Products

## *1. Exchange-Traded Funds (ETFs) and Mutual Funds*

Graylark focuses its portfolios by investing in ETFs and mutual funds. Graylark may select ETFs and mutual funds based on one or more of the following attributes: market and sector representation, daily trading volume, underlying fee and trading strategy, investment strategy, liquidity, diversification of holdings, risk levels, cash flows, economic returns and management style.

## *2. Equities (including options).*

Where Graylark selects individual equities for client accounts, Graylark may select individual companies based on any of the analysis methods described above. Additional attributes and characteristics that are not included above may be reviewed in determining whether to include a company in the allocation. To the extent consistent with a client's investment objective(s) and strategy(ies), from time to time Graylark may recommend investments in options and derivatives instruments (e.g., to act as a hedge against market risk or other risks) including, without limitation, purchasing or writing put and call options.

## *3. Fixed-Income*



On the fixed-income allocation of a portfolio, Graylark may select corporate debt securities or any other fixed-income securities to include in client portfolios.

#### *4. Alternative Investments*

To the extent consistent with a client's investment objective(s) and strategy(ies), Graylark may also recommend investments into alternative investments such as private funds, or other alternative investment vehicles.

#### *5. Cash and Cash Equivalents*

To the extent consistent with a client's investment objective(s) and strategy(ies), from time to time Graylark may recommend investments in cash and cash equivalents (e.g., for defensive purposes, for income purposes, in preparation for reallocation or withdrawal from an account, or for other investment purposes or cash needs).

### C. Risk of Loss

All investments are subject to various types of risks. Accordingly, there can be no assurance that client portfolios will be able to meet their investment objectives and goals or that investments will not lose money. Below is a description of the principal risks that client portfolios face:

- *Advisory Risks:* There is no guarantee that Graylark's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. In addition, Graylark's methods of analysis may produce sub-optimal results if other methods of analysis (e.g., technical and quantitative) are favored by other investors.
- *Allocation Risks:* The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.
- *Alternative Investments Risks:* Alternative investments, including private funds such as hedge funds and private equity/venture capital funds, are speculative and involve a high degree of risk. There is either no or a limited secondary market for alternative investments and there may be significant restrictions or limitations on withdrawing from or transferring these types of investments. Alternative investments may be subject to wide swings in value and may employ the use of leverage or hold illiquid securities. Alternative investments often require an investor to make and fund a commitment over several years. Alternative investments generally have higher fees (including both management and performance-based fees) and expenses that offset returns. Alternative investments are generally subject to less regulation than publicly traded investments.
- *Alternative Investment Vehicles Risks:* From time to time and as appropriate, Graylark may invest a portion of a client's portfolio in alternative investment vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in

which they are invested, the success of each of which will depend heavily upon the efforts of their respective managers. When the investment objectives and strategies of a manager are out of favor in the market or a manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the managers make unsuccessful investment decisions at the same time.

- *Business Risks:* There are risks associated with particular industries or particular companies within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Credit Risks:* Financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management.
- *Currency Risks:* Investing in companies domiciled outside of the United States, or U.S. companies with overseas units, involves fluctuations in the value of the dollar against the currency of the foreign country, also referred to as exchange rate risk. Such fluctuations can affect client purchasing power.
- *Cyclical Analysis Risk:* A risk of cyclical analysis is that economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore, there is an attendant difficulty in predicting economic trends. Consequently, the changing value of securities that would be affected by these changing trends.
- *Derivative Risks:* Investments in options involve certain risks, including, without limitation: (i) that the counterparty to a transaction may not fulfill its contractual obligations; (ii) of mispricing or improper valuation; and (iii) that changes in the value of the option may not correlate perfectly with the underlying asset, rate or index. Option prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. It is possible that certain options might be difficult to purchase or sell, possibly preventing from executing positions at an advantageous time or price, or possibly requiring disposal of other investments at unfavorable times or prices in order to satisfy a portfolio's other obligations.
- *Equity Market Risks:* Graylark will generally invest portions of client assets directly into equity investments such as stocks, or into other investment pools ("**pooled investment funds**") that invest in the stock market. As noted below, while pooled investment funds have diversified portfolios that may make them less risky than investments in individual

securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

- *Financial Risks:* Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Fixed-Income Risks:* Graylark may invest portions of client assets directly into fixed-income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed-income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed-income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).
- *Foreign Investing and Emerging Markets Risks:* Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries.
- *Inflation Risks:* When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Information Risks:* Investment professionals rely on research in order to make conclusions about investment options and select investments. This research is generally a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Particular third-party data, or outside research, is utilized, in part, because of its perceived reliability, but there is no guarantee that the data or research will be completely accurate and Graylark will not seek to independently verify its accuracy. Failure in data accuracy or research may cause Graylark to select investments that perform poorly and fail to help clients meet investment objectives and goals.
- *Interest-rate Risks:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Legislative and Tax Risks:* Performance may, directly or indirectly, be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization

and/or tax reporting obligations.

- *Liquidity Risks:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while directly held real estate properties are not. There is a risk that an investment in an illiquid product may make it harder to liquidate or require liquidating at a lower price due to the lack of readily available buyers.
- *Market Risks:* The price of any security, bond, mutual fund, ETF or the value of an entire asset class can decline for a variety of reasons outside of Graylark's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events.
- *Municipal Securities Risks:* The risk of a municipal security generally depends on the financial and credit status of the issuer. Municipal securities can be significantly affected by political, regulatory or economic changes, including changes made in the law after issuance of the securities, as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders, including in connection with an issuer's insolvency.
- *Political Risks:* Changes in the political arena, both domestically and internationally, can affect various investments and markets. Changes to fiscal and monetary policies, especially the tax code, can have far reaching effects on individual companies, industry sectors or the whole market.
- *Quantitative Tools Risks:* Some of Graylark's investment techniques may incorporate, or rely upon, quantitative models. There is no guarantee that these models will generate accurate forecasts, reduce risks or otherwise produce the intended results.
- *Reinvestment Risks:* There is a risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed-income securities.
- *Restrictions Risks:* As stated above, clients may place restrictions on the management of their accounts. However, these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.
- *Risks of Investments in Mutual Funds, ETFs and Other Investment Pools:* Graylark may invest client portfolios in mutual funds, ETFs and pooled investment funds. Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940, as amended.

- *Software Risks:* Graylark delivers services through software. It is possible that such software may not always perform exactly as intended or disclosed, especially in certain combinations of unusual circumstances, and any software imperfections, malfunctions or “glitches” could result in client losses. Graylark continuously strives to monitor, detect and correct any software that does not perform as expected or disclosed, and Graylark preserves contractual rights to direct any software vendors to address and/or troubleshoot technical issues that may from time to time arise.
- *Technical Analysis Risks:* The primary risk in using technical analysis is that spotting historical trends may not help predict such trends in the future. Even if the trend will eventually recur, there is no guarantee that Graylark will be able to accurately predict such a reoccurrence.
- *Transition Risks:* As assets are transitioned from a client’s prior adviser to Graylark, there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments may need to be sold in order to reposition the portfolio into the asset allocation strategy selected by Graylark. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include low share prices Graylark deems to be unwarranted, restrictions on trading, contractual restrictions on liquidity, market-related liquidity, or legacy stock concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client’s holdings into recommendations of Graylark may adversely affect the client’s account values.
- *U.S. Government Securities Risks:* U.S. government obligations may include securities issued or guaranteed as to principal and interest by the U.S. government, or its agencies or instrumentalities. Payment of principal and interest on U.S. government obligations may be backed by the full faith and credit of the United States or may be backed solely by the issuing or guaranteeing agency or instrumentality itself. There can be no assurance that the U.S. government would provide financial support to its agencies or instrumentalities (including government-sponsored enterprises) where it is not obligated to do so. In addition, U.S. government securities are not guaranteed against price movements due to changing interest rates.
- *Unforeseeable Circumstances Risks:* There is no guarantee that Graylark will not be subject to an occurrence beyond its control including, without limitation: (i) an act of God (e.g., earthquake, fire, flood, war, act of terrorism, civil or military disturbance, sabotage, epidemic, pandemic, or riot); (ii) interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; (iii) accidents; or (iv) acts of civil or military authority or governmental action. Any of the foregoing could adversely affect Graylark’s capability to manage client accounts or could adversely affect markets in which client accounts are invested.

**Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.**

In the course of creating and managing a client's investment portfolio, Graylark believes it is important for Graylark's clients to understand and evaluate these risks, as part of their overall approach to setting realistic investment objectives.

## **Item 9: Disciplinary Information**

As a registered investment adviser, Graylark is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Graylark or the integrity of Graylark's management. Graylark has no disciplinary events to report.

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

Graylark has relationships that are material to its advisory business or its clients, as further described below.

### Graylark Insurance Services LLC

The Principals are also the principal owners of an insurance agency, Graylark Insurance Services LLC (the "**Insurance Agency**"). The Principals receive compensation from the Insurance Agency in the form of commissions on insurance products sold and profits received by the Insurance Agency. While the Principals aim, as part of Graylark's fiduciary duty, to act in each client's best interest, clients should be aware that a material conflict of interest exists as the Principals have a financial incentive to recommend insurance products to Graylark clients for the purpose of generating commissions. Clients are not obligated, contractually or otherwise, to use the services of the Insurance Agency or to act upon any of Graylark's or its personnel's recommendations with respect to outside professionals, services, or products.

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

### A. Code of Ethics

Graylark has adopted and will maintain and enforce a Code of Ethics (the "**Code**"), which sets forth the standards of conduct expected of access persons. The Code requires compliance with applicable state and federal securities laws and fiduciary duties. The Code also addresses the personal securities trading activities of access persons in an effort to detect and prevent illegal or improper personal securities transactions. The Code requires initial and annual holdings reports and quarterly personal securities transaction reports be provided by access persons to Graylark's Chief Compliance Officer. A copy of the Code is available upon request by writing us at the address, or calling us on the phone number, located on the cover page.

### B. Cross Trading

Graylark may direct a "cross trade" of securities between client accounts, whereby Graylark arranges for one client account to purchase (the purchaser) a security directly from another client (the seller). Graylark may have a conflict of interest given the obligation to seek the best price and most favorable execution for each client involved in the cross trade. Graylark will direct a cross trade when Graylark believes that the transaction is in the best interest of both

clients, that neither client will be disfavored by the transaction, and that the transaction receives the best execution. Graylark will conduct any cross trades consistent with the investment objectives and policies of the accounts of each client participating in the cross trade and in compliance with applicable law. In addition, in connection with any cross trades, Graylark will seek to obtain a price for the security from one or more independent sources. Graylark is not a broker-dealer and receives no compensation from cross trading; however, the broker-dealer facilitating a cross trade will normally charge administrative fees to the clients' accounts.

### C. Participation or Interest in Client Transactions

Graylark personnel may own the same securities in their personal accounts that are owned by the clients and may have investments in securities owned by or recommended to the clients. Additionally, Graylark may purchase or sell for the clients securities in which Graylark, its affiliates or employees also have a position or interest. Since these situations may represent a potential conflict of interest, Graylark has implemented procedures relating to personal securities transactions that are designed to prevent actual conflicts of interest.

Graylark personnel may buy or sell securities, at or around the same time as those securities are bought, sold, or recommended to clients. This practice creates a situation where Graylark personnel are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Graylark has a personal securities trading policy in place to monitor the personal securities transactions and securities holdings of Graylark personnel.

## **Item 12: Brokerage Practices**

### A. General Trading Practices

Graylark may recommend that clients use the brokerage and custodial services of Axos Advisor Services (“**Axos**”) as Graylark is an investment adviser on Axos' platform.

### B. Best Execution

When Graylark has discretion to determine brokerage, Graylark has an obligation to seek to obtain best execution of client transactions under the circumstances of the particular transaction. With respect to a specific order, Graylark determines brokerage based on, without limitation, the particular characteristics of a security to be traded, including relevant market factors, and considers other factors, such as: ability to minimize trading costs, level of trading expertise, trading desk/system infrastructure, ability to provide information related to the trade, financial condition, confidentiality provided by the broker-dealer, competitiveness of commission rates, evaluations of execution quality, promptness of execution, past history, ability to prospect for and find liquidity, difficulty of trade and the security's trading characteristics, size of order, liquidity of market, block trading capabilities, quality of settlements, specialized expertise offered and overall responsiveness.

### C. Directed Brokerage

Although Graylark recommends that clients establish brokerage accounts with Axos, clients may, with Graylark's approval, direct Graylark in writing to use a particular broker-dealer for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker; Graylark will not negotiate commissions for directed brokerage. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

By directing Graylark to use a specific broker-dealer, clients who are subject to the Employee Retirement Income Security Act of 1974 ("ERISA") confirm and agree with Graylark that: (i) they have the authority to make the direction; (ii) there are no provisions in any client or plan document which are inconsistent with the direction; (iii) the brokerage and other goods and services provided by the broker-dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries; (iv) the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker-dealer on behalf of the plan are expenses that the plan would otherwise be obligated to pay; and (v) the specific broker-dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

#### D. Research and Other Soft Dollar Benefits

"Soft dollars" are defined as a form of payment that investment advisers can use to pay for goods and services such as news subscriptions or research. When an investment adviser gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. Graylark receives some economic benefits from Axos that are typically not available to 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 our 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 advisory 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 us by third party vendors. Clients do not pay more for investment transactions effected and/or assets maintained at Axos as a result of this arrangement. There is no corresponding commitment made by Graylark to Axos or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. However, the receipt of such benefits represent an incentive for Graylark to recommend Axos over other custodians for brokerage services. We believe our recommendation of Axos is appropriate for clients based on the services they provide and the fees they charge.

#### E. Brokerage for Client Referrals

Neither Graylark nor any related person of Graylark directs trades to broker-dealers in exchange for client referrals from the broker-dealer or other third-party.



## F. Aggregation

Graylark provides investment management services to different types of clients. Certain investment management decisions may affect more than one account. For example, Graylark may aggregate transaction orders when Graylark takes an investment action with respect to multiple accounts with similar investment objectives. This includes aggregating orders involving both client and proprietary accounts. Such aggregation may be able to reduce trading costs or market impact on a per-share or per-dollar basis. When Graylark aggregates trades, each participating account will receive the average share price and will share pro rata in the transaction costs, subject to minimum charges per account imposed by the broker-dealer effecting the transaction or the client's custodian. Graylark also may determine an order will not be aggregated with other orders for a number of reasons which may include, without limitation: (i) the account's governing documents do not permit aggregation; (ii) a client directs that trades be executed through a specific broker-dealer; (iii) aggregation is impractical because of specific trade directions received from the portfolio manager (e.g., a limit order); (iv) the order involves a different trading strategy; or (v) if Graylark otherwise determines that aggregation is not consistent with seeking best execution.

From time to time an aggregated order involving multiple equity accounts does not receive sufficient securities to fill all accounts. For such a partial fill, the executed portion of the order is allocated to the participating accounts pro rata on the basis of order size; provided, that proprietary accounts will be the last to receive an allocation.

In allocating orders to fixed-income clients, Graylark first determines that the securities are consistent with guidelines and a particular style of account. Graylark then addresses specific account needs, which generally include, among other factors, a review of portfolio duration, sector allocation, security characteristics, cash positions and typical size of positions within the account. Graylark then determines whether it is practical to allocate the proposed bond purchase across eligible accounts, as available block sizes for small issues may be too small for aggregation. In these cases, the portfolio manager has discretion to determine allocations based on the "best fit and need" for applicable accounts. Factors considered in such prioritization include, without limitation: specific needs, amount of cash available, amount of portfolio in similar types of credits, current maturity structure of portfolio, and whether the account was allocated bonds in recent purchases. As a result of this approach, not all eligible accounts will participate in every available bond opportunity. However, Graylark seeks to allocate bond purchases in a manner that is fair to clients over time.

## G. Over the Counter (OTC)

Graylark primarily places fixed-income over-the-counter ("OTC") transactions through broker-dealers, market makers and the client's custodian's trading desk. When possible, Graylark accesses multiple sources to determine if the competitive levels are favorable under the circumstances. At times, multiple offerings or bids for a security may be unavailable and an order may need to be worked at a certain level with a specific broker-dealer.

## H. Cross Transactions

Graylark may deem it beneficial to its clients to effect a cross transaction between clients

that are not employee benefit plans governed by ERISA or proprietary accounts. In these cases, Graylark will not receive any compensation for the cross trade. Graylark will typically arrange with a third-party broker-dealer for one client account to sell the security to another client account. By entering into an investment advisory agreement with Graylark, clients consent to cross transactions; however, Graylark effects cross transactions only if, in Graylark's judgment, the transaction is beneficial to both the client account(s) selling the security and the client account(s) purchasing the security. See Item 11.B for more information.

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

Account reviews are performed by Graylark's Principals or an appropriate portfolio manager at least quarterly, but may occur more frequently in response to market-driven events, client life events, change in the tax laws, new investment information, client deposits or withdrawals, or client transactions that Graylark deems material. In addition, unless the client requests more frequent meetings, Graylark will generally offer an annual review with each client to discuss goals, objectives, holdings and portfolio performance to ascertain the continued appropriateness of the client's investment strategy. Furthermore, clients may receive written quarterly updates from Graylark, which contains the client's portfolio holdings and performance.

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

As referenced in Item 12 above, Graylark receives an indirect economic benefit from Axos. Graylark, without cost (and/or at a discount), may receive support services and/or products from Axos. Graylark's clients do not pay more for investment transactions effected and/or assets maintained at Axos as a result of this arrangement. There is no corresponding commitment made by Graylark to Axos or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangement.

Graylark does not currently, directly or indirectly, compensate any person that is not a Graylark supervised person for referring clients to Graylark.

### **Item 15: Custody**

All assets are held at qualified custodians. However, Graylark may be deemed to have "soft" custody of its client accounts because Graylark's advisory fees are typically debited directly from client account(s) as detailed in the client's investment advisory agreement, unless other arrangements are made.

Custodians provide quarterly account statements directly to clients at their address of record or email address if a client elects. Clients should carefully review reports provided by the custodian. Furthermore, clients are urged to compare the account statements received directly from their custodians to the periodic performance report statements provided by Graylark. Graylark prepares performance reporting information directly from custodial data and account statements.

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

With respect to discretionary investment advisory services, the client grants Graylark the authority through an executed investment advisory agreement to carry out various activities in the account, generally including the selection and amount of securities to be purchased or sold in a portfolio without obtaining additional consent from the client. Graylark then directs investment of the client's portfolio using its discretionary authority. The client may limit the discretion of Graylark in writing as described in Item 4 above.

### **Item 17: Voting Client Securities**

As a policy and in accordance with Graylark's investment advisory agreement, Graylark does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact Graylark with questions relating to proxy procedures and proposals by calling (720) 634-9400; however, Graylark generally does not research proxy proposals.

### **Item 18: Financial Information**

Graylark is not required to disclose any financial information pursuant to this Item due to the following:

- Graylark does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance;
- Graylark does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- Graylark has not been the subject of a bankruptcy petition at any time during the past ten years.

### **Item 19: Requirements for State-Registered Advisers**

The Principals each own 50% of Graylark. Mr. Gray is the CEO and CCO of Graylark and Mrs. Gray is the Marketing Director of Graylark. Mr. Gray's formal education and business background is as follows:

- *Educational Background*
  - California State University, Bachelor of Arts, Finance, 1995.
- *Business Experience*
  - Graylark Financial, LLC
    - Chief Executive Officer and Chief Compliance Officer, 2023 – Present
  - Graylark Insurance Services LLC
    - Chief Executive Officer and Chief Compliance Officer, 2023 – Present
  - APO Financial Services LLC
    - President and Chief Compliance Officer, 2019 – 2023
  - APO Financial Inc.
    - President and Insurance Producer, 2014 – 2023
  - Asset Protect One Inc.
    - President and Insurance Producer, 2012 – 2023
  - Horter Investment Management, LLC

- Investment Advisor Representative, 2012 – 2019
- Cowest Insurance of Boulder Inc.
  - Insurance Producer, 2009 – 2012
- Disaboom Inc.
  - Director of Sales, 2008

Mrs. Gray's formal education and business background is as follows:

- *Educational Background*
  - California State University, Fresno, Bachelor of Arts, Marketing, 1994
  - Webster University, Master of Arts, Human Resources Development and Management, 2003
- *Business Experience*
  - Graylark Financial, LLC
    - President and Director of Marketing, 2023 – Present
  - Graylark Insurance Services LLC
    - President, 2023 – Present
  - Asset Protect One Inc.
    - Director of Marketing, 2015 – 2023
  - Allsteel Inc.
    - Architect and Design Specialist, 2012 – 2015
  - Edelman Leather
    - Architect and Design Specialist, 2007 – 2011

Graylark is not actively engaged in any business other than giving investment advice, does not accept performance-based fees, and does not have any relationship or arrangement with any issuer of securities. Additionally, Graylark and the Principals have not been subject to an award from, or found liable in, any arbitration claim or administrative, civil, or self-regulatory organization proceeding involving investments, investment-related activity, or any other event requiring disclosure.

**Form ADV Part 2B, Brochure Supplement  
Item 1: Cover Page**

**BRIAN ERLE GRAY  
GRAYLARK FINANCIAL, LLC**

774 Pagoda Court  
Erie, CO 80516  
Main: (720) 634-9400

August 4, 2023

**This brochure supplement (“Supplement”) provides information about Brian Gray that supplements the Form ADV Part 2A brochure (“Brochure”) of Graylark Financial, LLC (“Graylark”). As a client or prospect, you should have received a copy of that Brochure. Please contact Graylark at a (720) 634-9400 if you did not receive Graylark’s Brochure, or if you have any questions about the contents of this Supplement.**

**Additional information about the supervised persons mentioned above is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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

### Name

Brian E. Gray

### Year of Birth

1966

### Education

California State University; B.A. Finance; 1995

### Business Experience

Graylark Financial, LLC: Chief Executive Officer and Chief Compliance Officer; 03/2023 – Present

Graylark Insurance Services LLC: Chief Executive Officer; 03/2023 – Present

APO Financial Services, LLC; President and Chief Compliance Officer; 03/2019 – 06/2023

APO Financial Inc.; President, Insurance Producer; 06/2014 – 06/2023

Asset Protect One; President, Insurance Producer; 12/2012 – 06/2023

Horter Investment Management, LLC; Investment Advisor Representative; 04/2012 – 08/2019

Cowest Insurance of Boulder Inc.; Insurance Producer; 02/2009 – 09/2012

Disaboom Inc; Director of Sales, 04/2008 – 12/2008

### Industry Examination

Series 65; 2012

## **Item 3 – Disciplinary Information**

Mr. Gray has no legal or disciplinary events to disclose.

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

Mr. Gray is the owner of, as well as a licensed insurance producer of, Graylark Insurance Services LLC, for which he receives compensation in the form of profits and commissions.

## **Item 5 – Additional Compensation**

Mr. Gray does not receive any additional compensation or economic benefit for providing advisory services to someone who is not a client.

## **Item 6 – Supervision**

Mr. Gray is the CEO and CCO of Graylark, but is subject to Graylark's code of ethics and compliance policies and procedures.