



**Form ADV Part 2A, Brochure  
ITEM 1: COVER PAGE**

**Graylark Financial, LLC**

774 Pagoda Court  
Erie, CO 80516  
Main: (720) 634-9400  
CRD No.: 325833

August 18, 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). You can search this site by a unique identifying number, known as an IARD number. The IARD number for Graylark is **325833**. Registration does not imply a certain level of skill or training.

## **ITEM 2: MATERIAL CHANGES**

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). 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

### 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**”). Brian Gray is the Chief Compliance Officer of Graylark.

We are committed to helping clients build, manage, and preserve their wealth. Our Firm provides investment advisory services that help clients to achieve their stated financial goals. We will offer initial complimentary meetings upon our discretion; however, investment management services are initiated only after you and Graylark execute an Investment Advisory Agreement.

### Portfolio Management Services

In providing portfolio management 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). 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. During personal discussions with clients, we determine the client's objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review a client's prior investment history, as well as family composition and background. Based on client needs, we develop a client's personal profile and investment strategy. We then create and manage the client's investments based on that policy and strategy. It is the client's obligation to notify us immediately if circumstances have changed with respect to their goals. Once we have determined the types of investments to be included in a client's portfolio and have allocated the assets, we provide ongoing investment review and management services.

**Discretionary Basis** - As a discretionary investment adviser, Graylark will have the authority to supervise and direct client portfolios without prior consultation with the client. We will make changes to the portfolio, as we deem appropriate, to meet client financial objectives. We trade these portfolios based on the combination of our market views and client objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives.

**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.

#### Sub-Advisory Services

Graylark will have discretion to utilize independent third-party investment adviser to aid in the implementation of investment strategies for your portfolio. In certain circumstances, we may allocate a portion of a portfolio to an independent third-party investment adviser ("Manager") for separate account management based upon your individual circumstances and objectives, including, but not limited to, your account size and tax circumstances. Upon the recognition of such situations, in coordination with you, Graylark will hire a Manager for the management of those assets. These Managers shall assist our Firm in managing the day-to-day investment operations of the various allocations, shall determine the composition of the investments comprising the allocation, shall determine what securities and other assets of the allocation will be acquired, held, disposed of or loaned in conformity with the written investment objectives, policies and restrictions and other statements of each client comprising the allocation, or as instructed by our Firm.

Managers may take discretionary authority to determine the securities to be purchased and sold for the client. As stated in the Discretionary Advisory Agreement, our Firm and its associated persons will have discretionary authority to hire and fire the Manager. Our firm will work with the sub-advisor to communicate any trading restrictions or standing instructions to refrain from a particular industry requested by the Client. In all cases, trading restrictions will depend on the sub-advisor and their ability to accommodate such restrictions.

Through our relationship with Axos, the recommended Custodian of client accounts, our Firm has access to various independent Managers. We review the performance of the Managers on at least a quarterly basis. More frequent reviews may be triggered by changes in Manager's management, performance or geopolitical and macroeconomic specific events.

#### 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 are included in the portfolio management services described above and fees described in Item 5 of the Brochure. With the unique goals and circumstances of each family in mind, our team will offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer, and family legacy objectives. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and

periodic updates.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals.
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management, and estate planning.
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession, and other personal goals.
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk, and liquidity factors for each goal. This includes IRA and qualified plans, taxable, and trust accounts that require special attention.
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation, and transfer, including liquidity as well as various insurance and possible company benefits; and
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.

A written evaluation of each client's initial situation or Financial Plan can be provided upon request.

#### 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**

An investment advisory relationship with Graylark includes portfolio management and financial planning services as outlined in Item 4.

Fees are based on a percentage of assets under management. Fees are billed quarterly, in advance, based on the market value of the account(s) on the last day of the prior quarter. Fees are assessed on all assets under management, including securities, cash and money market balances. The calculations and reporting are created using the billing system maintained by a third party provider.

While fees may be individually negotiated, clients will pay fees based on a percentage of assets under management. Annual portfolio management fees do not exceed 1.50%.

The independent qualified custodian holding the funds and securities will debit the client account directly for the advisory fee and pay that fee to Graylark. Clients provide written authorization permitting the fees to be paid directly from the account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to the client on at least a quarterly basis indicating all the amounts deducted from the account including our advisory fees. 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.

The Investment Advisory Agreement may be terminated by the client within five (5) business days of signing the Agreement without penalty or incurring any advisory fees. After the 5 business days, either party giving written notice to the other may cancel the Investment Advisory Agreement at any time for any reason. Notice given by the client shall be effective upon actual receipt by Graylark at the address specified on the Investment Advisory Agreement or the then current address. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given and the unearned fee refunded to the client account as indicated in the executed Agreement. Upon termination, clients are responsible for monitoring the securities in the account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, our Firm will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

As discussed in Item 4 above, there are occasions where Manager acts in a sub-advisor capacity to our Firm. Under this arrangement, the Manager invests the assets based upon the parameters provided by our Firm. This total fee as described above includes our Firm's portion of the investment advisory fee as well as the Manager's fee. The fee billed is defined in the relevant Investment Advisory Agreement.

#### 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 and ETFs. 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.

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.

#### **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Graylark does not have any performance-based nor side-by-side management fee arrangements.

#### **ITEM 7: TYPES OF CLIENTS**

Graylark provides investment advice to individuals, high net worth individuals, trusts, estates, charitable organizations, and corporations. Client relationships vary in scope and length of service. Graylark does not require an account minimum to engage in portfolio management services.

#### **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.

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.

**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.



**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.

**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.

#### Investment Strategies

Graylark focuses its portfolios by investing in ETFs and mutual funds through the use of a Manager as described in Item 4. Graylark may select individual securities and/or Managers 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.

We examine the experience, expertise, investment philosophies and past performance of independent, third-party Managers in an attempt to determine if that Manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the Managers' underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the Managers' compliance and business enterprise risks.

A risk of investing with a third-party Manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a managers' portfolio, there is also a risk that the Manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the Managers' daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

#### 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:

- *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.

- *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.
- *Equity Market Risks:* 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.
- *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.
- *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.
- *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.
- *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* Graylark may invest client portfolios in mutual fund and, ETFs. 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.
- *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. The adviser has an incentive to recommend insurance and this incentive creates a conflict of interest between your interests and our Firm. Clients should note that they have the right to decide whether or not to engage the services of Graylark’s associates. Further, clients should note they have the right to decide whether to act on the recommendations and purchase and the right to choose any professional to execute the advice for any insurance products through Graylark’s associates or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to act in your best interests and have established policies in this regard to mitigate any conflicts of interest.

<b>ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING</b>
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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.

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.

Graylark personnel are prohibited from front running or otherwise engaging in trading practices that would disadvantage the trading of client accounts.

## ITEM 12: BROKERAGE PRACTICES

Clients must maintain assets in an account at a “qualified custodian,” generally a broker-dealer or bank. Graylark requires that clients use the brokerage and custodial services of Axos Advisor Services (“**Axos**”) as Graylark is an investment adviser on Axos’ platform.

We are independently owned and operated, and unaffiliated with Axos. Axos will hold client assets in a brokerage account and buy and sell securities as instructed.

While we recommend that clients use Axos as Custodian, client must decide whether to do so and open accounts with Axos or any other custodian by entering into account agreements directly with them. The client opens the accounts directly with the Custodian. The accounts will always be held in the name of the client and never in Graylark or the Advisors’ name.

### Recommendation of Custodians

We seek to recommend a custodian/broker and the client selects who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Axos)

### Client Brokerage and Custody Costs

For our clients’ accounts that Axos maintains, Axos does charge separately for custody services. Fees are outlined in the Custodial Agreement executed with the client. We have determined that having Axos execute most trades is consistent with our duty to seek “best execution” of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Commented [NH1]: Are you paying the 5bps to Axos or is the client billed that?

#### Products and Services Available to Us from Axos

"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.

#### Brokerage for Client Referrals

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

#### 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 associated persons' 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 Custodian 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 Custodian; (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 any associated personnel accounts will be the last to receive an allocation.

#### **ITEM 13: REVIEW OF ACCOUNTS**

##### ***Account Reviews and Reviewers***

Graylark's CCO will monitor client accounts on a periodic basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

##### ***Statements and Reports***

Clients may receive written reports 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.

Graylark personnel may be asked to recommend a financial professional, such as an attorney, accountant, or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our Firm. Our Firm does recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

#### **ITEM 15: CUSTODY**

Custody has been defined by regulators as having access or control over client funds and/or securities. Graylark does not have physical custody, as it applies to investment advisers. However, Graylark is deemed to have constructive custody of its client accounts because the Firm'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.

As described in Item 5 of this Brochure, for all accounts, Graylark requires the written authority to have fees deducted directly from client accounts. Our Firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Each time a fee is directly deducted from a client account, Graylark concurrently sends the qualified custodian an invoice or statement itemizing the fee to be deducted from the client's account. In addition, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. The invoices include the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee. You should carefully review those statements and are urged to compare the statements against reports and invoices received from our Firm. When you have questions about your account statements, you should contact our Firm or the qualified custodian preparing the statement. Please refer to Item 5 for more information about the deduction of adviser fees.

#### **ITEM 16: INVESTMENT DISCRETION**

For discretionary accounts, prior to engaging Graylark to provide portfolio management services, clients will enter a written Agreement with the Firm granting Graylark the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable Graylark, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell, or exchange securities in and for your accounts. Graylark will be authorized to buy, sell, exchange and trade any stocks, bonds or other securities or assets, determine the amount of securities to be bought or sold, and place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client.

In some instances, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

#### **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 described below in the 2B Supplemental Brochure to follow.

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.



## **BRIAN ERLE GRAY**

**GRAYLARK FINANCIAL, LLC**

774 Pagoda Court

Erie, CO 80516

Main: (720) 634-9400

August 18, 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

Brian E. Gray

### Year of Birth

1966

### Education

California State University; B.A. Finance; 1995

### Business Experience

03/2023 – Present

*Graylark Financial, LLC*: Chief Executive Officer and Chief Compliance Officer

03/2023 – Present

*Graylark Insurance Services LLC*: Chief Executive Officer

03/2019 – 06/2023

*APO Financial Services, LLC*; President and Chief Compliance Officer

06/2014 – 06/2023

*APO Financial Inc.*; President, Insurance Producer;

12/2012 – 06/2023

*Asset Protect One*; President, Insurance Producer

04/2012 – 08/2019

*Horter Investment Management, LLC*; Investment Adviser Representative

02/2009 – 09/2012

*Cowest Insurance of Boulder Inc.*; Insurance Producer

04/2008 – 12/2008

*Disaboom Inc*; Director of Sales

## 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. While Mr. Gray aims, as part his fiduciary duty, to act in each client's best interest, clients should be aware that a material conflict of interest exists as Mr. Gray has a financial incentive to recommend insurance products to Graylark clients for the purpose of generating commissions. Clients should note that they have the right to

decide whether or not to engage the services of Mr. Gray. Further, clients should note they have the right to decide whether to act on the recommendations and purchase and the right to choose any professional to execute the advice for any insurance products through Mr. Gray or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to act in your best interests and have established policies in this regard to mitigate any conflicts of interest.

**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. Mr Gray will adhere to Graylark's code of ethics and compliance policies and procedures.