

## Item 1: Cover Page



### Off-Zero Financial LLC

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### **Form ADV Part 2A – Firm Brochure**

Dated: 12/21/2023

This Brochure provides information about the qualifications and business practices of Off-Zero Financial LLC. If you have any questions about the contents of this Brochure, please contact us at (512) 956-7270. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Off-Zero Financial LLC is a registered investment adviser. Registration does not imply a certain level of skill or training.

Additional information about Off-Zero Financial LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), which can be found using the firm's identification number, 328759.

## Item 2: Material Changes

Since this is the first filing of the Form ADV Part 2A for Off-Zero Financial LLC, there is nothing to report. In the future, any material changes made during the year will be reported here.

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## Item 4: Advisory Business

### **Description of Advisory Firm**

Off-Zero Financial LLC is an Investment Adviser principally located in the state of Texas. We are a limited liability company founded in November 2023. Off-Zero Financial LLC became registered in 2023. Kevin Petrie Horner is the Chief Compliance Officer ("CCO").

As used in this brochure, the words "OZF", "we", "our firm", "Advisor" and "us" refer to Off-Zero Financial LLC and the words "you", "your" and "Client" refer to you as either a client or prospective client of our firm.

As used in this brochure, the words "MyFi.Coach" and "site" refer to the interactive website used exclusively to provide investment advice to Clients.

### **Types of Advisory Services**

OZF is a fee-only firm, meaning the only compensation we receive is from our Clients for our services. From time to time, OZF recommends third-party professionals such as attorneys, accountants, tax advisors, insurance agents, or other financial professionals. Clients are never obligated to utilize any third-party professional we recommend. OZF is not affiliated with nor does OZF receive any compensation from third-party professionals we may recommend.

All advisory services are delivered exclusively through the MyFi.Coach interactive website.

### **Investment Advisory Services**

Our firm provides continuous advice to a Client regarding the investment of Client funds based on the individual needs of the Client, and delivered exclusively through the interactive website, MyFi.Coach. Clients are prompted to identify goals and objectives based on a Client's particular circumstances. We develop a Client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We will also review and discuss a Client's prior investment history, as well as family composition and background. Account supervision is guided by the stated objectives of the Client (e.g., maximum capital appreciation, growth, income, or growth, and income), as well as risk tolerance and tax considerations.

We primarily advise our Clients regarding investments in stocks, bonds, mutual funds, ETFs, U.S. government and municipal securities, digital assets, cash and cash equivalents. We may also provide advice regarding investments held in Client's portfolio at the inception of our advisory relationship and/or other investment types not listed above, at the Client's request.

We are not a discretionary investment adviser, so we do not have the authority to make investment decisions in our Client's portfolio on their behalf.

As part of our investment management services, when appropriate, we may recommend that clients purchase bitcoin through an affiliated third party. Our firm will not custody any bitcoin.

## Financial Planning Services

In addition to investment supervisory services, OFZ may provide Financial Planning Services to some of its clients. The Advisor's Financial Planning services may include recommendations for portfolio customization based on their client's investment objectives, goals, and financial situation. Financial Planning Services may also include recommendations relating to investment strategies as well as tailored investment advice.

In general, the financial plan will address some or all of the following areas of concern. The Client and OFZ will work together to select specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for Clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to children and grandchildren (if appropriate).
- **Digital Assets:** We will review and analyze digital asset holdings and make recommendations consistent with interrelated planning topics. This includes but is not limited to custody, cash flow, debt management, estate planning, financial goals, investment analysis, retirement, risk management, and tax planning strategies.
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes

by implementing appropriate estate planning strategies such as the use of applicable trusts. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help Clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet Clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Real Estate Planning:** Real estate can be an important component of a diversified financial plan. When evaluating existing or potential real estate holdings, we consider the overall tax implications, debt payments, cash flow projections, and opportunity costs versus investing capital in other assets. We will help analyze the impact of rental income, appreciation, and expenses to model the total return potential. If planning to purchase or refinance investment properties, we can assess financing options and create scenarios to optimize leverage and returns. For personal residences, we can incorporate mortgage costs, property taxes, and maintenance expenses into your broader financial plan. We'll collaborate with your tax and legal advisors to implement the optimal real estate strategy for your goals and risk tolerance. Throughout our relationship, we will monitor your real estate portfolio allocation and performance as markets shift.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be

provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").

- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with the consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

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

We tailor the delivery of our services to meet the individual needs of our Clients. We consult with Clients initially and on an ongoing basis, through the duration of their engagement with us, to determine risk tolerance, time horizon and other factors that may impact the Clients' investment and/or planning needs.

Clients are able to specify, within reason, any restrictions they would like to place as it pertains to individual securities and/or sectors that will be traded in their account. All such requests must be provided to OZF in writing. OZF will notify Clients if they are unable to accommodate any requests.

### **Wrap Fee Programs**

We do not participate in wrap fee programs.

### **Assets Under Management**

As of December 2023, OZF has \$0 in discretionary and \$0 in non-discretionary assets under management.

## Item 5: Fees and Compensation

Please note, unless a Client has received this brochure at least 48 hours prior to signing an Advisory Contract, the Advisory Contract may be terminated by the Client within five (5) business days in writing of signing the Advisory Contract without penalty.

### **Financial Planning and Investment Portfolio Advisory**

Clients of OZF will pay an Investment Advisory fee as outlined in the signed Investment Advisory contract. This fee is payable either monthly or quarterly in advance and is based on the assets in the account at the beginning of the period. For new accounts, the fee is prorated from inception to the end of the period.

Investment Advisory fees range from \$0 to \$600 per annum, but can be negotiated based on factors such as the size and nature of the client relationship or the complexity of the strategy. Fees may be reduced or waived for OZF's directors, officers, and employees at management's discretion. The fees are collected based on service provided and described below.

OZF will not maintain custody of a client's funds, securities or digital assets. The Investment Advisory fee does not include any custody, transaction, and sub-advisory costs, which may be incurred by the Client for recommended third party custodians, services, and products.

### **Subscription Fee**

Clients will contract to have investment advice provided on a subscription basis rather than based on the assets under management. The Advisor's subscription fee will be billed at a rate of \$0.00 to \$49.99 per month depending on the account type selected, the type and complexity of the investment management strategy employed as well as the overall client relationship. The Advisor's subscription fees will be negotiated and agreed upon by the parties in advance.

Subscription fees are billed monthly and in advance. We will accept credit/debit card with auto-billing that can be cancelled at any time. After cancellation, access to the interactive MyFi.Coach website will expire at the end of the current billing cycle. To avoid being charged for another billing cycle, Clients are encouraged to cancel at least one day before the next scheduled billing cycle.

PLEASE NOTE: The subscription fee we charge may add up to greater than 3% of the investment portfolio values we directly advise for you. Much of our subscription fee is for our financial planning services.

With lower balance accounts, there are risks to consider with our subscription-based fees that can add up to a large percentage of the amount invested and can end up being more expensive than tradition asset-based fees. For more information, please refer to SEC Investor Bulletin, <https://www.sec.gov/oiea/investor-alerts-and-bulletins/subscription-based-advisory-fees-investor-bulletin>.

### **Hourly Fee**

Some clients will contract to have financial planning advice provided based on an hourly fee rather than based on the assets under management. The Advisor's hourly fee will be billed at a rate of \$50 to \$250 per hour depending upon the type and complexity of the planning being performed. The Advisor's hourly fees will



be negotiated and agreed upon by the parties in advance. Hourly fee-based clients are billed monthly in arrears upon completion of work performed.

### **Additional Fees You May Incur**

You must maintain your account(s) at a qualified broker-dealer/custodian. You will incur transaction fees or commissions from the broker-dealer through which the investments are purchased or sold. Mutual funds and exchange-traded funds also charge annual management fees. We do not retain any portion of any of these fees. The broker-dealer or investment company retains these fees. You may also incur, depending upon the broker-dealer or custodian where assets are held, annual account maintenance fees.

### **Employer Sponsored Retirement Plan and/or Health Savings Accounts**

Employer sponsored retirement plan accounts have internal fees such as administrative and asset management fees. Also commissions, sales loads, transaction fees, annual asset management fees, and/or annual account maintenance fees most likely are being charged in your IRA. It is important for you to understand our fees are assessed in addition to the internal fees paid from your employer sponsored retirement plan account or IRA. In providing our advice we may assess the effectiveness and efficiency of the management of your current account(s) and may recommend you move your account to a better platform. Regardless, a recommendation to move your account will be made with your best interests in mind (generally in an effort to reduce costs for you). We have no incentive to recommend you roll over an employer sponsored retirement plan account to an IRA held at Fidelity Investments or to transfer an IRA to Fidelity Investments (or to any different platform for that matter) because our fees remain the same, regardless of where your account is held.

In providing our services we may recommend you roll a 401(k) or HSA account held in a previous employer's retirement plan to an IRA or HSA maintained at a less expensive program such as Fidelity Investments. OZF will not earn any additional fees based upon this recommendation. This recommendation will be made with your best interests in mind and most likely in an effort to reduce costs for you.

### **No Additional Compensation**

OZF does not receive a referral fee from any professionals to whom we may refer you. We do not receive any compensation or fees from any broker-dealer, custodian, or adviser platform we may recommend you use. We do not receive any other compensation such as commissions or "loads" for the sale of securities or other investment products nor do we receive any annual service fees (such as 12b-1 fees) from mutual funds or other investment companies.

Item 12 further describes the factors that we consider in selecting or recommending custodians for Client's transactions and determining the reasonableness of their compensation (e.g., commissions).

Clients may incur fees from third-party professionals such as accountants and attorneys that OZF may recommend, upon Client request. Such fees are separate and distinct from OZF's advisory fees.

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

We do not offer performance-based fees and do not engage in side-by-side management.

## Item 7: Types of Clients

We provide financial planning and investment management services to individuals, high net-worth individuals, charitable organizations, corporations and other businesses.

We do not have a minimum account size requirement.

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

### **Methods of Analysis**

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that the information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

### **Modern Portfolio Theory (MPT)**

The underlying principles of MPT are:

- Investors are risk averse. The only acceptable risk is that which is adequately compensated by an expected return. Risk and investment return are related and an increase in risk requires an increased expected return.
- Markets are efficient. The same market information is available to all investors at the same time. The market prices every security fairly based upon this equal availability of information.
- The design of the portfolio as a whole is more important than the selection of any particular security. The appropriate allocation of capital among asset classes will have far more influence on long-term portfolio performance than the selection of individual securities.
- Investing for the long-term (preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.
- Increasing diversification of the portfolio with lower correlated asset class positions can decrease portfolio risk. Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another.

**Mutual Fund and/or ETF Analysis:** We look at the experience and track record of the manager of the mutual fund or ETF 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 also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the Client's portfolio. In addition, we monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable for the Client's portfolio.

## **Investment Strategies**

### **Asset Allocation**

In implementing our Clients' investment strategy, we begin by attempting to identify an appropriate ratio of equities, fixed income, digital assets, and cash (i.e. "asset allocation") suitable to the Client's investment goals and risk tolerance.

A risk of asset allocation is that the Client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equities, fixed income, digital assets, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the Client's goals. We attempt to closely monitor our asset allocation models and make changes periodically to keep in line with the target risk tolerance model.

### **Passive and Active Investment Management**

We may choose investment vehicles that are considered passive, active, or a combination of both styles.

Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio.

Active investing involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Actively managed funds are also designed to reduce volatility and risk.

We may engage in both passive and active investing in the Client's portfolio. However, we strive to construct portfolios of funds and individual securities that we believe will have the greatest probability for achieving our Clients' personal financial goals with the least amount of volatility and risk rather than attempt to outperform an arbitrary index or benchmark.

Specific investment selections are based on a number of factors that we evaluate in order to select, what we believe to be, the highest quality funds or individual securities for our Clients. These factors include but are not limited to underlying holdings of funds, percentage weighting of holdings within funds, liquidity, tax efficiency, bid/ask spreads, and other smart/strategic beta factors. These factors may or may not result in the lowest cost ETFs and mutual funds available when utilizing funds in a Client's portfolio, but we strive to keep internal fund expenses as low as possible.

### **Long-term/Short-term purchases**

We purchase securities and generally hold them in the Client's account for a year or longer. Short-term purchases may be employed as appropriate when:

- We believe the securities to be currently undervalued, and/or
- We want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

### **Material Risks Involved**

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities, and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the Client's portfolio.

**Turnover Risk:** Actively managed mutual funds tend to have a higher turnover rate than passive funds. A high portfolio turnover would result in higher transaction costs and in higher taxes when shares are held in a taxable account. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions, we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

**Concentration Risk** - Having too much of your portfolio concentrated in a single asset class, company, or investment vehicle can expose you to increased risk. If that concentrated holding declines significantly in value, it can have an outsized impact on your overall portfolio and make it difficult to recoup losses. Diversification helps reduce concentration risk and volatility in your portfolio.

## **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on factors such as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above (premium) or below (discount) their net asset value and an ETF purchased at a premium may ultimately be sold at a discount; (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the Clients invest.

**Mutual Funds** When a Client invests in open-end mutual funds or ETFs, the Client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, many of which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

**Bitcoin:** Bitcoin is a speculative monetary digital asset and involves numerous risks. It may not be suitable for all investors. Investors are subject to extreme volatility, regulatory risks, technical risks, and lack of insurance.

Bitcoin accounts and value balances are not insured by the Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC). Protections and regulations that apply to securities do not apply to bitcoin. Losses from volatility, illiquidity, fraud, or technical problems may not be covered sufficiently by custodian insurance and bonds. Clients should carefully consider if appropriate for their portfolios.

**Digital Assets:** Investing in digital assets (such as cryptocurrencies) poses significant and unique risks. Although some digital assets have had excellent long term returns over the last decade, they also exhibit extreme volatility. Sustained long term performance is not guaranteed. Beyond risks of volatility and performance, digital assets pose several unique risks. Most digital assets are not classified as securities and therefore are not subject to the same regulations and treatment as securities. Digital asset accounts and value balances are not protected by the Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC). Establishing and maintaining an account at an exchange can be difficult. Exchanges often charge fees as a percentage of each transaction and/or spreads for matching buyers with sellers. Transferring digital assets can be uniquely difficult and mistakes often cannot be undone. Digital asset wallets can be lost, stolen, damaged, or destroyed, or users can become permanently locked out of their digital asset wallets. In such a case, recovery of the digital assets is impossible. Taxation is handled differently than with securities such as stocks or ETFs. Regulations and taxation are subject to change at any time. It is even possible that the US Government may ban possession or ownership of some or all digital assets. Only discretionary capital marked for speculative purposes should be used to invest in digital assets. Investing in digital assets is not suitable or desirable for all Clients.



## Item 9: Disciplinary Information

### **Criminal or Civil Actions**

OZF and its management persons have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

OZF and its management persons have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

OZF and its management persons have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of OZF or the integrity of its management.

## Item 10: Other Financial Industry Activities and Affiliations

We are not involved or affiliated with any other financial industries or activities.

### **Broker-Dealer Affiliation**

Neither OZF or its management persons is registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **Other Affiliations**

Neither OZF or its management persons is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

### **Recommendations or Selections of Other Investment Advisers**

OZF does not recommend or select other investment advisers for our clients.

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

As a fiduciary, our firm has a duty of utmost good faith to act solely in the best interests of each Client. Our Clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

### **Code of Ethics Description**

This Code of Ethics does not attempt to identify all possible conflicts of interest, and compliance with each of its specific provisions will not shield our firm or its access persons from liability for misconduct that violates a fiduciary duty to our Clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Access persons shall offer and provide professional services with integrity.
- Objectivity - Access persons shall be objective in providing professional services to Clients.
- Competence - Access persons shall provide services to Clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Access persons shall perform professional services in a manner that is fair and reasonable to Clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Access persons shall not disclose confidential Client information without the specific consent of the Client unless in response to proper legal process, or as required by law.
- Professionalism - Access persons conduct in all matters shall reflect the credit of the profession.
- Diligence - Access persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

### **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its access persons, or any related person is authorized to recommend to a Client or effect a transaction for a Client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, principal transaction, among others.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Our firm, its access persons, and its related persons may buy or sell securities similar to, or different from, those we recommend to Clients. In an effort to reduce or eliminate certain conflicts of interest, our Code of Ethics may require that we restrict or prohibit access persons' transactions in specific reportable securities.

Any exceptions or trading pre-clearance must be approved by OZF's Chief Compliance Officer in advance of the transaction in an account. OZF maintains a copy of access persons' personal securities transactions as required.

**Trading Securities At/Around the Same Time as Client's Securities**

From time to time our firm, its access persons, or its related persons may buy or sell securities for themselves at or around the same time as they buy or sell securities for Clients' account(s). To address this conflict, it is our policy that neither our firm or access persons shall have priority over Clients' accounts in the purchase or sale of securities.

## Item 12: Brokerage Practices

### **Factors Used to Select Custodians**

OZF does not have any affiliation with any custodian we recommend. Specific custodian recommendations are made to the Client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

In recommending custodians, we have an obligation to seek the “best execution” of transactions in Client accounts. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the custodian’s services. The factors we consider when evaluating a custodian for best execution include, without limitation, the custodian’s:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.);
- Availability of investment research and tools that assist us in making investment decisions • Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices; • Reputation, financial strength, security and stability; • Prior service to us and our clients.

With this in consideration, our firm recommends Fidelity Investments, an independent and unaffiliated SEC registered broker-dealer firm and member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

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

We do not have any soft-dollar arrangements with custodians whereby soft-dollar credits, used to purchase products and services, are earned directly in proportion to the amount of commissions paid by a Client. However, as a result of being on their institutional platform, Fidelity Investments may provide us with certain services that may benefit us.

Fidelity Institutional® is Fidelity Investments’ business serving independent investment advisory firms like us. They provide our Clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Fidelity retail customers. Fidelity also makes available various support services. Some of those services help us manage or administer our Clients’ accounts, while others help us manage and grow our business. Fidelity’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. The benefits received by Advisor or its personnel do not depend on the number of brokerage transactions directed to Fidelity. As part of its fiduciary duties to Clients, Advisor at all times must put the interests of its Clients first. Clients should

be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of Fidelity for custody and brokerage services. This conflict of interest is mitigated as Advisor regularly reviews the factors used to select custodians to ensure our recommendation is appropriate. Following is a more detailed description of Fidelity's support services:

1. **Services that benefit you.** Fidelity's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client assets. The investment products available through Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our Clients. Fidelity's services described in this paragraph generally benefit you and your account.
2. **Services that may not directly benefit you.** Fidelity also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our Clients' accounts. They include investment research, both Fidelity's own and that of third parties. We may use this research to service all or a substantial number of our Clients' accounts, including accounts not maintained at Fidelity. In addition to investment research, Fidelity also makes available software and other technology that:
  - provide access to Client account data (such as duplicate trade confirmations and account statements)
  - facilitate trade execution and allocate aggregated trade orders for multiple Client accounts
  - provide pricing and other market data
  - facilitate payment of our fees from our Clients' accounts
  - assist with back-office functions, recordkeeping, and Client reporting
3. **Services that generally benefit only us.** Fidelity also offers other services intended to help us manage and further develop our business enterprise. These services include:
  - Educational conferences and events
  - Consulting on technology, compliance, legal, and business needs
  - Publications and conferences on practice management and business succession
4. **Your brokerage and custody costs.** For our Clients' accounts that Fidelity maintains, Fidelity generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Fidelity account. Certain trades (for example, many mutual funds and ETFs) may not incur Fidelity commissions or transaction fees.

### **Brokerage for Client Referrals**

We receive no referrals from a custodian, broker-dealer or third party in exchange for using that custodian, broker-dealer or third party.

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

Our firm recommends Clients establish account(s) at Fidelity Investments to execute transactions through. We will assist with establishing your account(s) at Fidelity Investments, however, we will not have the authority

to open accounts on the Client's behalf. Not all investment advisers require their Clients to use their recommended custodian. By recommending that Clients use Fidelity Investments, we may be unable to achieve most favorable execution of Client transactions, and this practice may cost Clients more money. We base our recommendations on the factors disclosed in Item 12 herein and will only recommend custodians if we believe it's in the best interest of the Client.

If Clients do not wish to utilize our recommended custodian, we permit Clients to direct brokerage. We will be added to your account through a limited trading authority. However, due to restraints from not having access to an institutional platform, we are unable to achieve most favorable execution of Client transactions. Clients directing brokerage may cost Clients more money. For example, in a directed brokerage account, the Client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or the Client may receive a higher transaction price at their selected custodian versus our recommended custodian.

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

Aggregating orders, batch trading, or block trading is a process where trades for the same securities are purchased or sold for several clients at approximately the same time. We do not engage in block trading. It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy to implement all client orders on an individual basis. Therefore, we do not aggregate or "block" client transactions. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

## Item 13: Review of Accounts

### **Periodic Reviews**

Kevin Petrie Horner, Investment Advisor Representative and CCO of OZF, will work with Clients to obtain current information regarding their assets and investment holdings and will review this information as part of our financial planning services. OZF does not provide specific reports to Clients, other than financial plans. Clients who engage us for investment management services will have their account(s) reviewed regularly on a quarterly basis by Kevin Petrie Horner, Investment Advisor Representative and CCO. The account(s) are reviewed with regards to the Client's investment policies and risk tolerance levels.

### **Triggers of Reviews**

Events that may trigger a special review would be unusual performance, addition or deletions of Client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per Client's needs.

### **Review Reports**

Clients will receive trade confirmations from the custodian(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

OZF does not provide written performance or holdings reports to Investment Management Clients outside of what is provided directly by their custodian.



## Item 14: Client Referrals and Other Compensation

### **Compensation Received by Off-Zero Financial LLC**

OZF is a fee-only firm that is compensated solely by its Clients. OZF does not receive commissions or other sales-related compensation. Except as mentioned in Item 12 above, we do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our Clients.

### **Client Referrals from Solicitors**

OZF does not, directly or indirectly, compensate any person who is not advisory personnel for Client referrals.

## Item 15: Custody

OZF does not hold, directly or indirectly, Client funds or securities, or have any authority to obtain possession of them. All Client securities are held at a qualified custodian.

If OZF deducts its advisory fee from Client's account(s), the following safeguards will be applied:

- i. The Client will provide written authorization to OZF, permitting us to be paid directly from Client's accounts held by the custodian.
- ii. The custodian will send at least quarterly statements to the Client showing all disbursements from the accounts, including the amount of the advisory fee.

In jurisdictions where required, OZF will send an itemized invoice to the Client at the same time it instructs the custodian to debit the advisory fee. Itemization includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

We urge you to carefully review custodial statements and compare them to the account invoices or reports that we may provide to you and notify us of any discrepancies. OZF is responsible for verifying the accuracy of these fees as listed on the custodian's brokerage statement as the custodian does not assume this responsibility. Our invoices or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16: Investment Discretion

For those Client accounts where we provide Investment Management Services, OZF has discretionary authority and limited power of attorney to determine the securities and the amount of securities to be bought or sold for a Client's account without having to obtain prior Client approval for each transaction. Investment discretion is explained to Clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the Client will execute a Limited Power of Attorney, which will grant our firm discretion over the account(s). Additionally, the discretionary relationship will be outlined in the Advisory Contract and signed by the Client. Clients may limit our discretion by requesting certain restrictions on investments. However, approval of such requests are at the firm's sole discretion.

## Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the Client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

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

## Item 18: Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our Clients, nor have we been the subject of any bankruptcy proceeding. We do not have custody of Client funds or securities, except as disclosed in Item 15 above, or require or solicit prepayment of more than \$500 in fees six months or more in advance.

## Item 19: Requirements for State-Registered Advisers

OZF is registered with the SEC and therefore not subject to this item.

## Item 1: Cover Page



### Off-Zero Financial LLC

13462 Gent Dr  
Austin, TX 78729  
(512) 956-7270

### **Form ADV Part 2B – Brochure Supplement**

Dated: 12/08/2023

#### **Kevin Petrie Horner**

Investment Advisor Representative and Chief Compliance Officer

Representative CRD Number: 7840680

This brochure supplement provides information about Kevin Petrie Horner that supplements the Off-Zero Financial LLC ("OZF") brochure. A copy of that brochure precedes this supplement. Please contact Kevin Petrie Horner @ (512) 956-7270 or [kevin@offzerofinancial.com](mailto:kevin@offzerofinancial.com) if the OZF brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Kevin Petrie Horner is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 7840680.

## Item 2: Educational Background and Business Experience

### **Kevin Petrie Horner**

Born: 1972

#### **Educational Background**

- 2007 – Master of Information Technology, Virginia Polytechnic Institute and State University
- 1996 – Bachelor of Arts, University of St. Thomas

#### **Business Experience**

Mr. Horner is Managing Member of Off-Zero Financial LLC, which he founded in November of 2023.

- 11/2023 - Present, Off-Zero Financial LLC, Founder, CEO and CCO
- 02/2016 – 07/2023, Oracle Corporation
- 09/2014 - 09/2015, State of Texas, Health and Human Services
- 10/2008 - 09/2014, Veterans United Home Loans
- 01/2004 - 10/2008, MFA Incorporated
- 12/2000 - 12/2003, Citrix Systems
- 04/1998 - 12/2000, Aphelion Software

## Item 3: Disciplinary Information

Kevin Petrie Horner has never been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Item 4: Other Business Activities

Kevin Petrie Horner is not actively engaged in any other business or occupation, investment-related or otherwise.

## Item 5: Additional Compensation

Kevin Petrie Horner does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through OZF.

## Item 6: Supervision

As the sole owner and representative of Off-Zero Financial LLC, Kevin Petrie Horner supervises all activities of the firm. Kevin Petrie Horner's contact information is on the cover page of this disclosure document. Mr. Horner adheres to applicable Investment Adviser and Investment Adviser representative regulations and follows all policies and procedures outlined in the firm's policies and procedures manual and Code of Ethics.



## Item 7: Requirements for State Registered Advisers

Kevin Petrie Horner has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.