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May 9, 2013

**FORM ADV PART 2  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Broadhurst Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (215) 325-1595 or [info@BroadhurstFinancial.com](mailto:info@BroadhurstFinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Broadhurst Financial Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Broadhurst Financial Advisors, Inc. is 132332.**

**Broadhurst Financial Advisors, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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## Advisory Business

Form ADV Part 2A, Item 4

**A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).** Broadhurst Financial Advisors, Inc. (Broadhurst Financial Advisors or Advisor) is a Registered Investment Advisor primarily engaged in the business of providing Wealth Management to affluent individuals and families. We have been in business since 2004. The principal owner is Jeffrey B. Broadhurst, MBA, CFA, CFP.

**B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.**

In the course of providing comprehensive Wealth Management services, BFA provides Investment Consulting and Advanced Planning solutions.

### INVESTMENT CONSULTING

Investment Consulting services may include, but are not limited to:

- Inventory and analysis of Client's current assets, liabilities and investments
- Identification of asset class under-exposure and over-exposure
- Identification of high cost and low cost investments
- Discussion of appropriate asset allocations
- Modeling of asset allocations and discussing risk
- Tactical implementation of asset allocation

The Advisor helps the Client discover their capacity for risk. The Advisor then selects an asset allocation that reflects the unique risk capacity of the Client. Investments are chosen to produce the appropriate combination of potential return, diversification, risk reduction, low costs and tax efficiency. The Advisor will not alter the asset allocation without prior consultation with the Client.

### ADVANCED PLANNING

Advanced Planning strategies typically address tax issues, estate planning, and risk management issues. The Advisor explains appropriate strategies to help Clients meet their goals and integrate their available resources.

Services for the Advanced Planning consultative process may include, but are not limited to:

- Clarification of the Client's priorities, values and financial goals
- Retirement planning for financial independence
- Statistical modeling of retirement scenarios and cash flow
- Tax planning and tax reduction strategies
- Risk management analysis including Life and Disability insurance, Health and Long-term Care insurance
- Risk management analysis including Property, Casualty and Liability insurance
- Estate planning and intergenerational wealth transfer
- Debt analysis and mortgage leverage recommendations
- Dollar quantification of future cost of living needs, and wish-list desired goals
- Review of workplace benefits and employee pension plan options
- Review of workplace stock option plans
- Education planning and college funding strategies

**C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of Clients. Explain whether Clients may impose restrictions on investing in certain securities or types of securities.**

Advanced Planning is ongoing, consultative and unique to each Client's situation. Depending upon the Client's needs and preferences, typically we meet 2-4 times per year to discuss their investments and planning strategies.

The Advisor strives to develop a risk-appropriate investment portfolio for the Client. Clients are encouraged to implement our recommendations, but are not required to do so. Clients may impose restrictions on investing in certain securities or types of securities.

Generally we recommend passive funds or index funds for our Clients. The Advisor primarily uses passive funds from Dimensional Fund Advisors (DFA). All DFA funds are low-cost, no-load, institutional asset-class funds. DFA is only available to institutional investors or through approved investment advisors. Broadhurst Financial Advisors is approved to use DFA funds. The Advisor does not receive any compensation from DFA.

**D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.**

Broadhurst Financial Advisors does not participate in any wrap fee accounts.

**E. If you manage Client assets, disclose the amount of Client assets you manage on a discretionary basis and the amount of Client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.**

As of May 9, 2013, the Advisor managed \$36.1 million in discretionary assets. The Advisor does not manage assets on a non-discretionary basis. Held-away assets under advisement are approximately \$20 million.

The Advisor has discretion but voluntarily limits discretion to rebalancing trades and/or for tax-loss harvesting. Rebalancing trades occur periodically to synchronize the Client's portfolio with the target allocation. Typically, it does not occur more than quarterly. Rebalancing decisions are based upon pre-set tolerance levels. The tolerance levels and decision to rebalance consider the expected benefits versus the costs.

Tax-loss harvesting trades occur periodically and opportunistically. Typically it occurs near the end of the calendar year and does not occur more than semi-annually. The Advisor agrees that there will not be alteration of the target allocation without prior consultation with the Client.

## **Fees and Compensation**

Form ADV Part 2A, Item 5

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

**A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.**

### **FEE SCHEDULE**

Broadhurst Financial Advisors is compensated by what the Client pays us and not for products sold. The advisory fee schedule is:

Value of All Managed Accounts with Firm	Up to	Per Quarter	Annualized
First \$1.0 million	\$1.0 million	0.3125%	1.25%
Next \$1.5 million	\$2.5 million	0.2500%	1.00%
Next \$2.5 million	\$5.0 million	0.2000%	0.80%
Next \$5.0 million	\$10.0 million	0.1750%	0.70%
\$10 million and over	n/a	0.1250%	0.50%

In certain situations, our fees are negotiable. The advisory fees do not include trading costs or other nominal custodial account maintenance fees.

For certain consulting projects, our fee may be based on an hourly rate of \$250 or a fixed fee, quoted in advance. Fees are negotiated based on the scope, complexity and deliverables required by the Client.

**B. Describe whether you deduct fees from Clients' assets or bill Clients for fees incurred. If Clients may select either method, disclose this fact. Explain how often you bill Clients or deduct your fees.**

The firm withdraws advisory fees from the Client's account on a quarterly basis. At the onset of the Advisory Agreement, the Client authorizes the custodian, in writing, to debit the advisory fees from their account. Unless the Agreement is terminated by the Client or the Advisor, it shall automatically continue. The firm sends a copy of the invoice to the custodian at the same time that it is sent to the advisory Client. The custodian also sends to the Client a quarterly statement to the Client showing all disbursements from the custodial account, including the amount of the advisory fees.

**C. Describe any other types of fees or expenses Clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that Clients will incur brokerage and other transaction costs, and direct Clients to the section(s) of your brochure that discuss brokerage.**

Clients will incur custodial transaction costs and fund expense ratios. As of May 9, 2013, the Custodian charged \$25/trade for DFA mutual funds. Mutual funds have expense ratios. Our model portfolios of mutual funds typically have expense ratios from 0.20-0.40%

**D. If your Clients either may or must pay your fees in advance, disclose this fact. Explain how a Client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

### **PAYMENT SCHEDULE**

Fees are due quarterly and paid in advance. Fees are based on the value of Clients' assets at the end of the previous quarter. Quarterly, the Advisor sends a billing statement to the custodian. The custodian debits the Client account(s). The Client's monthly statement from the custodian shows the fee debited and paid to the Advisor. The Client may pay the fees from a particular billing account, or to have it deducted on a pro-rata basis from all Client accounts held by the custodian.

Either Advisor or Client may voluntarily terminate or revise this Agreement upon thirty (30) days written notice to the other party for any reason. If Client or Advisor terminates the Agreement, the fee refunded will be prorated in an amount equal to the portion of the fee attributable to the un-provided services.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a Client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to Clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

Broadhurst Financial Advisors is "Fee-Only" meaning we do not sell financial products or collect commissions from products recommended. BFA is solely compensated by what the Client pays us for our independent financial advice. The Advisor only recommends institutional, "no-load" funds. Generally we do not have conflicts of interests with our Clients. If we do, we fully disclose those conflicts and explain them thoroughly to the Client.

2. Explain that Clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

Clients are free to implement our recommendations, or not. If the Client chooses to implement our recommended portfolios that use DFA funds, they must go through specially approved investment advisors. Broadhurst Financial Advisors is approved to use DFA funds. The Advisor does not receive any compensation from DFA. All DFA funds are no-load, institutional, asset-class funds.

3. If more than 50% of your revenue from advisory Clients results from commissions and other compensation for the sale of investment products you recommend to your Clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

BFA is "Fee-Only" meaning we do not sell any products or collect commissions from products recommended. Broadhurst Financial Advisors is solely compensated by what the Client pays us for our independent financial advice.

4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

BFA is "Fee-Only" meaning we do not sell any products or collect commissions from products recommended. Broadhurst Financial Advisors is solely compensated by what the Client pays us for our independent financial advice.

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

Form ADV Part 2A, Item 6

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a Client (such as a Client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

The Advisor does not charge management fees based on the performance of a Client's portfolio. No warranty of performance is either written, or implied. Client further understands that there is no guarantee that Client's return objectives will be achieved.

## ***Types of Clients***

Form ADV Part 2A, Item 7

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

Describe the types of Clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Broadhurst Financial Advisors is engaged in the business of providing Wealth Management to affluent individuals and families. The suggested minimum account size is \$1,000,000. In certain situations, this minimum is negotiable.

The Advisor refers clients with less than \$1,000,000 in assets to Index Funds Advisors, Inc. (IFA) because the IFA new client minimum is \$100,000. BFA is a licensed network member of Index Funds Advisors, Inc and splits fees with the Advisor.

Occasionally, the Advisor provides investment advice to endowments, foundations and other 501(c)3 not-for-profit organizations.



## **Methods of Analysis, Investment Strategies and Risk of Loss**

Form ADV Part 2A, Item 8

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

**A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that Clients should be prepared to bear.**

### **INVESTMENT PHILOSOPHY**

Generally, passive securities are better portfolio instruments due to low costs, tax efficiency and the discipline imposed by their construction methodology. Passive funds capture asset class returns but do not style drift. The passive funds from DFA are similar to index funds for obtaining asset class exposure, yet offer additional tax benefits.

The Advisor facilitates the construction of risk-appropriate, globally-diversified, tax-efficient portfolios of low-cost funds for the Client(s). The Client has been made aware that:

- the Advisor does not pick individual stocks or sectors (no stock picking)
- the Advisor does not attempt to time the market (no market timing)
- the Advisor does not recommend actively managed mutual funds (no manager picking)

Research has shown that active management (i.e. stock picking and market timing) usually destroys value. Furthermore, active funds have higher expense ratios, unnecessary loads & commissions, and therefore usually underperform index benchmarks. Finally, active fund managers tend to style drift which has been shown to make diversified portfolio construction difficult and efficient investing impossible.

As with any security, there is a risk of loss of some or all of the value of the mutual fund securities we use. Clients should be prepared to bear the risk associated with their particular target portfolio. The Client must inform the Advisor if there are material changes in Client's financial circumstances which might affect the manner in which Client's assets are allocated. Changes in the Clients' family life or financial circumstances typically may call for a review of the appropriate model portfolio(s). Depending upon the Client's needs and preferences, typically we meet 2-4 times per year to discuss the investments and planning strategy.

The Advisor shall not have any liability for Client's failure to inform the Advisor in a timely manner of any material change in Client's circumstances which might affect the manner in which assets are allocated, or to provide the Advisor with any information as to Client's financial status as the Advisor may reasonably request.

In general, the Advisor advises Clients on passive mutual funds, ETFs (exchange traded funds), municipal or high grade bonds, and U.S. government securities. However, in the course of providing comprehensive investment advice, BFA may address issues related to other types of assets that may be owned by the Client, such as real estate, precious metals, company stock options and alternative investments.

**B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

As with any security, there is a risk of loss of some or all of the value of the mutual fund securities we use. Investing in mutual funds involved the risk of loss. The Advisor strives to develop a risk-appropriate, globally-diversified, tax-efficient investment portfolio for the Client. However, market risk is present and the fund values can fluctuate as the global capital markets fluctuate.

**C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**

We primarily recommend mutual funds. We construct various models of mutual funds that vary from low risk to high risk. For each Client, the Advisor strives to develop a risk-appropriate investment portfolio. If the Client is in a high risk portfolio, there is considerable equity market risk.

## Disciplinary Information

Form ADV Part 2A, Item 9

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If there are legal or disciplinary events that are material to a Client's or prospective Client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a Client's or prospective Client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a Client's or prospective Client's evaluation.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

N/A

2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

N/A

3. was found to have been involved in a violation of an investment-related statute or regulation; or

N/A

4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

N/A

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; or

N/A

2. was found to have been involved in a violation of an investment-related statute or regulation and was the

subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;

N/A

(b) barring or suspending your firm's or a management person's association with an investment-related business;

N/A

(c) otherwise significantly limiting your firm's or a management person's investment-related activities; or

N/A

(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

N/A

C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

N/A

1. was found to have caused an investment-related business to lose its authorization to do business; or

N/A

2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership;

(ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

**Note:** You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a management person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the person involved in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See [SEC rule 204-2\(a\)\(14\)\(iii\)](#).

N/A

### ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

N/A

B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

N/A

C. Describe any relationship or arrangement that is material to your advisory business or to your Clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with Clients, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

Disclosure of relationship between Cwienkala&Salfi, P.C. (C&S), a CPA firm and an investment advisor registered with the state of Pennsylvania, and Broadhurst Financial Advisors, Inc. (BFA), an investment advisor registered with the state of Pennsylvania, and notice filed with the states as required.

C&S anticipates having the opportunity and need to refer Clients to BFA for asset management, wealth management, and financial planning.

C&S is not an employee of BFA. As compensation for the ongoing advisory relationship C&S has with Clients, C&S receives 20% of all the fees received by BFA from Clients referred by C&S for so long as BFA continues to manage the portfolio or other assets of the Client.

C&S will assist BFA in developing Client relationships, and where appropriate maintain continuing contact with the Clients so introduced to ensure that the Clients are fully satisfied with their relationship with BFA and with the investment advisory services received from BFA.

C&S is not an officer, director or other employee of BFA and does not render any investment advice on behalf of BFA. C&S's services to BFA consist solely of referrals of prospective Clients and related activities pursuant to the agreement described above. C&S is not authorized to act in any way on behalf of BFA except in connection with his/her solicitation activities and is not authorized to enter into any agreement or undertaking on behalf of BFA with any person(s) or organization(s).

Clients referred to BFA by C&S pay according to the same policies, procedures, and schedule of fees to which all BFA Clients are subject. Clients referred by C&S to BFA do not pay more because of the referral.

**D. If you recommend or select other investment advisers for your Clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.**

BFA is a licensed network member of Index Funds Advisors, Inc. (IFA) and uses information and programs from the IFA website. IFA is a fee-only, registered investment advisor. Occasionally, the Advisor refers clients with less than \$1,000,000 in assets to IFA because the IFA new client minimum is \$100,000. IFA splits fees with the Advisor. Clients are made aware of the fee sharing arraignment and are given a solicitors agreement in writing. The fees the Client pays to IFA are no more than they would pay if they had a direct relationship.

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

Form ADV Part 2A, Item 11

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

**A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to [SEC rule 204A-1](#) or similar state rules. Explain that you will provide a copy of your code of ethics to any Client or prospective Client upon request.**

The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the Client. The advisor shall provide written disclosure to the Client prior to the engagement of the advisor, and thereafter throughout the term of the engagement, of any conflicts of interest, which will or reasonably may compromise the impartiality or independence of the advisor. The advisor, or any part in which the advisor has a financial interest, does not receive any compensation or other remuneration that is contingent on any Client's purchase or sale of a financial product. The advisor does not receive a fee or other compensation from another party based on the referral of a Client or the Client's business.

**B. If you or a related person recommends to Clients, or buys or sells for Client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

**Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your Clients; (2) you or a related person acts as general partner in a partnership in which you solicit Client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to Clients.**

N/A

**C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to Clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.**

The Advisor and its employees may buy or sell the same investments that are recommended to Clients. Typically, the securities used are passive funds, index funds or ETFs. There is no conflict of interest as these are widely held, highly liquid, publicly traded securities. Individual bonds, money market accounts, and U.S. Treasury securities also tend to be widely held and in no event will such recommendations be made where the ownership interests of BFA or any related person has any vested interest in making such recommendations.

In no event will such recommendations be made where the ownership interests of BFA or related person is more than a "de minimus" interest, or where BFA or related person could influence the value of personal holdings through the making of such a recommendation.

**D. If you or a related person recommends securities to Clients, or buys or sells securities for Client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

**Note: The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not "reportable securities" under [SEC rule 204A-1\(e\)\(10\)](#) and similar state rules.**

The Advisor and its employees may buy or sell the same investments that are recommended to Clients. Typically, the securities used are passive funds, index funds or ETFs. There is no conflict of interest as these are widely held, highly liquid, publicly traded securities. Individual bonds, money market accounts, and U.S. Treasury securities also tend to be widely held and in no event will such recommendations be made where the ownership interests of BFA or any related person has any vested

interest in making such recommendations.

In no event will such recommendations be made where the ownership interests of BFA or related person is more than a "de minimus" interest, or where BFA or related person could influence the value of personal holdings through the making of such a recommendation.



## Brokerage Practices

Form ADV Part 2A, Item 12

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. Describe the factors that you consider in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commissions).

1. **Research and Other Soft Dollar Benefits.** If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with Client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

**Note:** Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

BFA does NOT receive compensation from any broker or custodian. BFA does NOT receive free products, services, or research (i.e. no soft dollars) from any broker-dealer.

a. Explain that when you use Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

BFA does NOT receive compensation from any broker or custodian. BFA does NOT receive free products, services, or research (i.e. no soft dollars) from any broker-dealer. No fee is paid by any Client for research.

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your Clients' interest in receiving most favorable execution.

BFA recommends a third party custodian to hold Client's assets. Client portfolios are held at Pershing, LLC, a division of Bank of New York/Mellon, and traded through Shareholder Service Group, Inc (broker/dealer).

BFA suggests Clients use Pershing and Shareholders Service Group on the basis of reasonable costs and level of service provided, but there is no obligation to use them. Other custodians used can include Schwab Institutional, Fidelity Institutional and TD Ameritrade Institutional. Using the suggested custodian may allow BFA to better supervise accounts through duplicate statements, on-line access, electronic trade confirmations and limited power of attorney.

c. If you may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

N/A

d. Disclose whether you use soft dollar benefits to service all of your Clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits the accounts generate.

BFA does NOT receive compensation from any broker or custodian. BFA does NOT receive free products, services, or research (i.e. no soft dollars) from any broker-dealer.

e. Describe the types of products and services you or any of your related persons acquired with Client brokerage commissions (or markups or markdowns) within your last fiscal year.

**Note:** This description must be specific enough for your Clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in [section 28\(e\) of the Securities Exchange Act of 1934](#), such as those services that do not aid in investment decision-

making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.

N/A

f. Explain the procedures you used during your last fiscal year to direct Client transactions to a particular broker-dealer in return for soft dollar benefits you received.

BFA does NOT receive compensation from any broker or custodian. BFA does NOT receive free products, services, or research (i.e. no soft dollars) from any broker-dealer.

2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives Client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving Client referrals, rather than on your Clients' interest in receiving most favorable execution.

BFA does NOT receive compensation from any broker or custodian. BFA does NOT receive free products, services, or research (i.e. no soft dollars) from any broker-dealer.

b. Explain the procedures you used during your last fiscal year to direct Client transactions to a particular broker-dealer in return for Client referrals.

BFA does NOT receive compensation from any broker or custodian. BFA does NOT receive free products, services, or research (i.e. no soft dollars) from any broker-dealer. BFA does NOT receive Client referrals from any broker-dealer.

3. Directed Brokerage.

a. If you routinely recommend, request or require that a Client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their Clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of Client transactions, and that this practice may cost Clients more money.

Broadhurst Financial Advisors does not direct brokerage.

b. If you permit a Client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of Client transactions. Explain that directing brokerage may cost Clients more money. For example, in a directed brokerage account, the Client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the Client may receive less favorable prices.

**Note:** If your Clients only have directed brokerage arrangements subject to most favorable execution of Client transactions, you do not need to respond to the last sentence of Item 12.A.3.a. or to the second or third sentences of Item 12.A.3.b.

BFA recommends a third party custodian to hold Client's assets. Client portfolios are held at Pershing, LLC, a division of Bank of New York/Mellon, and traded through Shareholder Service Group, Inc (broker/dealer).

BFA suggests Clients use Pershing and Shareholders Service Group on the basis of reasonable costs and level of service provided, but there is no obligation to use them. Other custodians used can include Schwab Institutional, Fidelity Institutional and TD Ameritrade Institutional. Using the suggested custodian may allow BFA to better supervise accounts through duplicate statements, on-line access, electronic trade confirmations and limited power of attorney.

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various Client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to Clients of not aggregating.

The Advisor does not aggregate the purchase or sale of securities for various Client accounts. Each Client account is rebalanced on an individual basis. There are no cost savings from aggregating. There are no extra costs from individual rebalancing.

## **Review of Accounts**

Form ADV Part 2A, Item 13

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

**A. Indicate whether you periodically review Client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

Typically the Advisor meets with the Client 2-4 times per year to discuss the investments and strategy depending upon the Client's needs and preferences. Jeffrey B. Broadhurst, MBA, CFA, CFP conducts the review.

**B. If you review Client accounts on other than a periodic basis, describe the factors that trigger a review.**

The Advisor may review Client accounts on other than a periodic basis. Unexpected world events that trigger significant market volatility are typically the factor that triggers a review. Rebalancing trades occur to synchronize the portfolio with the model asset allocation. Typically, it does not occur more than quarterly. Rebalancing decisions are based upon pre-set tolerance levels. The tolerance levels and decision to rebalance consider the expected benefits versus the costs.

**C. Describe the content and indicate the frequency of regular reports you provide to Clients regarding their accounts. State whether these reports are written.**

Portfolio reporting is made available online 24/7/365. Clients can access their account via portfolio reporting software called Albridge Wealth Management. Clients can also access their account via the custodian's portal called Pershing NetExchange Client.

The Advisor sends reports monthly, quarterly and annually to the Client. The reports contain asset positions, performance, transactions, tax lot information and various charts and graphs.

The Custodian sends reports monthly to the Client. The reports contain asset positions, cost basis and transactions in the account.

### **Client Referrals and Other Compensation**

Form ADV Part 2A, Item 14

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If someone who is not a Client provides an economic benefit to you for providing investment advice or other advisory services to your Clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

N/A

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for Client referrals, describe the arrangement and the compensation.

**Note:** If you compensate any person for Client referrals, you should consider whether [SEC rule 206\(4\)-3](#) or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.

Disclosure of relationship between Cwienkala&Salfi, P.C. (C&S), a CPA firm and an investment advisor registered with the state of Pennsylvania, and Broadhurst Financial Advisors, Inc. (BFA), an investment advisor registered with the state of Pennsylvania, and notice filed with the states as required.

C&S anticipates having the opportunity and need to refer Clients to BFA for asset management, wealth management, and financial planning.

C&S is not an employee of BFA. As compensation for the ongoing advisory relationship C&S has with Clients, C&S receives 20% of all the fees received by BFA from Clients referred by C&S for so long as BFA continues to manage the portfolio or other assets of the Client.

C&S will assist BFA in developing Client relationships, and where appropriate maintain continuing contact with the Clients so introduced to ensure that the Clients are fully satisfied with their relationship with BFA and with the investment advisory services received from BFA.

C&S is not an officer, director or other employee of BFA and does not render any investment advice on behalf of BFA. C&S's services to BFA consist solely of referrals of prospective Clients and related activities pursuant to the agreement described above. C&S is not authorized to act in any way on behalf of BFA except in connection with his/her solicitation activities and is not authorized to enter into any agreement or undertaking on behalf of BFA with any person(s) or organization(s).

Clients referred to BFA by C&S pay according to the same policies, procedures, and schedule of fees to which all BFA Clients are subject. Clients referred by C&S to BFA do not pay more because of the referral.

## ***Custody***

Form ADV Part 2A, Item 15

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If you have custody of Client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your Clients, explain that Clients will receive account statements from the broker-dealer, bank or other qualified custodian and that Clients should carefully review those statements. If your Clients also receive account statements from you, your explanation must include a statement urging Clients to compare the account statements they receive from the qualified custodian with those they receive from you. Broadhurst Financial Advisors does not have, nor will take, custody of Client assets.

The Advisor sends reports monthly, quarterly and annually to the Client. The reports contain asset positions, performance, transactions, tax lot information and various charts and graphs.

The Custodian sends reports monthly to the Client. The reports contain asset positions, cost basis and transactions in the account.

The Advisor urges the Client to compare the account statements they receive from the qualified custodian with those they receive from the Advisor.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If you accept discretionary authority to manage securities accounts on behalf of Clients, disclose this fact and describe any limitations Clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

The Advisor has discretion to trade the Clients' assets but voluntarily limits discretion to rebalancing trades and/or for tax-loss harvesting.

Each portfolio is managed in accordance with the Clients' pre-specified model portfolio(s). Rebalancing trades occur to synchronize the portfolio with the model asset allocation. Typically, it does not occur more than quarterly. Rebalancing decisions are based upon pre-set tolerance levels. The tolerance levels and decision to rebalance consider the expected benefits versus the costs.

The Advisor acknowledges that there will not be any alteration of the pre-specified model portfolio(s) without consultation with the Client. Changes in the Clients' family life or financial circumstances typically may call for a review of the appropriate model portfolio(s).

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If you have, or will accept, authority to vote Client securities, briefly describe your voting policies and procedures, including those adopted pursuant to [SEC rule 206\(4\)-6](#). Describe whether (and, if so, how) your Clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your Clients with respect to voting their securities. Describe how Clients may obtain information from you about how you voted their securities. Explain to Clients that they may obtain a copy of your proxy voting policies and procedures upon request.

The Advisor does not vote Client securities. Clients are free to vote their own securities.

B. If you do not have authority to vote Client securities, disclose this fact. Explain whether Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) Clients can contact you with questions about a particular solicitation.

The Advisor does not have authority to vote Client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients can contact the Advisor with questions about a particular solicitation.

## Financial Information

Form ADV Part 2A, Item 18

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If you require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance, include a balance sheet for your most recent fiscal year.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

N/A

2. Show parenthetically the market or fair value of securities included at cost.

N/A

3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to [Article 2 of SEC Regulation S-X](#).

**Note:** If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.

**Note:** If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.

**Exception:** You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in [SEC rule 206\(4\)-2](#) or similar state rules; or (ii) an insurance company.

[Click here to enter text.](#)

B. If you have discretionary authority or custody of Client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to Clients.

**Note:** With respect to [Items 18.A](#) and [18.B](#), if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per Client, six months or more in advance.

N/A

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

If you are registering or are registered with one or more state securities authorities, you must respond to the following additional Item.

N/A



## Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

**\*\*If you are registering or are registered with the SEC, remove this section. If you are registering or are registered with one or more state securities authorities, you must respond to the following additional Item.**

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

**A. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.**

Jeffrey B. Broadhurst, MBA, CFA, CFP  
Born 1968, Sleepy Hollow, New York

Mr. Broadhurst is President and Senior Financial Advisor. Before starting Broadhurst Financial Advisors, Inc. in 2004 (and Index Only Portfolios in 2003), Mr. Broadhurst worked at Standard & Poor's rating agency in New York City. While there, Mr. Broadhurst was part of the Investment Services Division and evaluated fund managers using both qualitative and quantitative measures. Prior to S&P, Mr. Broadhurst was with Dresdner Kleinwort Wasserstein, the investment banking subsidiary of Dresdner Bank AG. He worked directly on Wall Street in debt capital markets, executing primary corporate bond transactions for U.S. based multi-national corporations. Mr. Broadhurst also performed credit analysis for Dresdner Bank's precious metals trading group.

**Formal Education:**

2006 Awarded the Certified Financial Planner (CFP®) designation  
2004 Awarded the Chartered Financial Analyst (CFA®) charter  
1999 M.B.A. Case Western Reserve University, Cleveland, Ohio – Finance major  
1994 B.Sc. The Queen's University at Kingston, Ontario, Canada – Engineering major  
NASD – Series 65 (2004), Series 7 (1999), Series 63 (1999);  
State of PA Producers License for Life, Health and Disability Insurance (2004, 2009)

**Business Background:**

2004-present	Broadhurst Financial Advisors, Inc. (President)
2003-2004	Registered Rep with Quest Capital Strategies d.b.a. "Index Only Portfolios"
2002-2003	Standard & Poor's, Investment Services (Analyst of Fund Managers)
2001-2002	Not working
1999-2001	Dresdner Kleinwort Wasserstein (Investment Banker)
1997-1999	Case Western Reserve University, Weatherhead School of Business
1995-1998	Minerals Technologies, Inc., formerly a Pfizer Corp. division (Business Rep)
1993-1994	Ingersoll-Rand Canada, Inc. (Sales & Marketing Rep)

**B. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.**

Jeffrey B. Broadhurst, MBA, CFA, CFP is affiliated with Index Funds Advisors, Inc. (IFA) a SEC-Registered Investment Advisor. Broadhurst Financial Advisors may refer Clients to IFA for asset management under a solicitor agreement. Mr. Broadhurst is a solicitor for IFA. He spends approximately five to ten percent of his time on IFA matters. Another 40% of his time is spent on asset management for BFA Clients. The remaining 50% of his time is providing other financial and other non-securities related advice concerning budgeting, goal setting, preparing investment policy statements, formulating the appropriate investment selections, retirement, insurance and estate planning to BFA Clients.

C. In addition to the description of your fees in response to [Item 5 of Part 2A](#), if you or a supervised person are compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the Client.

N/A

D. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

N/A

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

N/A

E. In addition to any relationship or arrangement described in response to [Item 10.C. of Part 2A](#), describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in [Item 10.C. of Part 2A](#).

N/A

***Additional Information***

**Use this section for any additional disclosures needed. Otherwise, delete this section.**

BFA uses information and programs from the Dimensional Fund Advisors (DFA) website.  
BFA receives continuing education from the CFA Institute and the CFA Society of Philadelphia, the National Association of Personal Financial Advisors (NAPFA), the CFP Board of Standards, the Financial Planning Association (FPA) and other organizations.  
Other standard sources of information frequently used are U.S. Tax Code, IRS Regulations and Tax Court decisions, tax reporting services and Morningstar.

**Jeffrey B. Broadhurst, MBA, CFA, CFP**

**Broadhurst Financial Advisors, Inc.**

1911 West Point Pike, Suite 301  
PO Box 301  
West Point, PA 19486-0301  
(215) 325-1595  
(866) 404-8022  
(215) 853-2563 fax  
[www.BroadhurstFinancial.com](http://www.BroadhurstFinancial.com)

May 9, 2013

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

This brochure provides information about the qualifications and business practices of Broadhurst Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (215) 325-1595 or [info@BroadhurstFinancial.com](mailto:info@BroadhurstFinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Broadhurst Financial Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Broadhurst Financial Advisors, Inc. is 132332.

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## **Educational Background and Business Experience**

Form ADV Part 2B, Item 2

***THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.***

Disclose the supervised person's name, age (or year of birth), formal education after high school, and business background (including an identification of the specific positions held) for the preceding five years. If the supervised person has no high school education, no formal education after high school, or no business background, disclose this fact. You may list any professional designations held by the supervised person, but if you do so, you must provide a sufficient explanation of the minimum qualifications required for each designation to allow clients to understand the value of the designation.

### **Name**

*Year of Birth:* 1968

### *Formal Education after High School:*

- Case Western Reserve University, Cleveland, Ohio, M.B.A., Finance major 1999
- Queen's University at Kingston, Ontario, Canada, B.Sc., Engineering major 1994

### *Business Background:*

- Broadhurst Financial Advisors, Inc., President, 02/2004-present
- Quest Capital Strategies, Registered Rep d.b.a. "Index Only Portfolios" 05/2003-01/2004
- Standard & Poor's - Investment Services, Analyst of Fund Managers 03/2002-05/2003
- Not working 2001-2002
- Dresdner Kleinwort Wasserstein, Investment Banker, Asst. VP, 05/1999-05/2001
- Case Western Reserve University, Weatherhead School of Business, 1997-1999
- Minerals Technologies, Inc., (a division of Pfizer Corp.), Business Rep., 1995-1998
- Ingersoll-Rand Canada, Inc., Sales & Marketing Rep, 1993-1994

### *Certifications:*

- CFP® - Certified Financial Planner designation 2006 – All CFP certificants must pass the comprehensive 10 hour examination, pass Fitness Standards for Candidates and Registrants, agree to abide by Code of Ethics and Professional Responsibility which puts clients' interests first. Additionally, CFP certificants must have a bachelor degree, education in all of areas covered by the CFP financial planning topic list, three years' financial experience and pass a background check.
- CFA® - Chartered Financial Analyst charter, 2004 – The CFA Program is organized into three levels, each culminating in a six-hour exam. Completing the Program takes most candidates between three and five years. Additionally, to earn a CFA charter, you must have four years of qualified investment work experience, become a member of CFA Institute, pledge to adhere to the Code of Ethics and Standards of Professional Conduct on an annual basis and maintain membership in a local CFA Institute member society.

## Disciplinary Information

Form ADV Part 2B, Item 3

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If there are legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person, disclose all material facts regarding those events.

Items 3.A, 3.B, 3.C, and 3.D below list specific legal and disciplinary events presumed to be material for this Item. If the supervised person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in the supervised person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 3.A, 3.B, 3.C, and 3.D do not contain an exclusive list of material disciplinary events. If the supervised person has been involved in a legal or disciplinary event that is not listed in Items 3.A, 3.B, 3.C, or 3.D but is material to a client's or prospective client's evaluation of the supervised person's integrity, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains currently material to a client's or prospective client's evaluation. If you deliver a supplement electronically and if a particular disclosure required below for the supervised person is provided through either the Financial Industry Regulatory Authority's (FINRA) BrokerCheck system or the IAPD, you may satisfy that particular disclosure obligation by including in that supplement (i) a statement that the supervised person has a disciplinary history, the details of which can be found on FINRA's BrokerCheck system or the IAPD, and (ii) a hyperlink to the relevant system with a brief explanation of how the client can access the disciplinary history. The BrokerCheck link is [www.finra.org/brokercheck](http://www.finra.org/brokercheck); the IAPD link is [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the supervised person
1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
  2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  3. was found to have been involved in a violation of an investment-related statute or regulation; or
  4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

N/A

- B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the supervised person
1. was found to have caused an investment-related business to lose its authorization to do business; or
  2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of the supervised person to act in an investment-related business;

(b) barring or suspending the supervised person's association with an investment-related business;

(c) otherwise significantly limiting the supervised person's investment-related activities; or

(d) imposing a civil money penalty of more than \$2,500 on the supervised person.

**N/A**

C. A self-regulatory organization (SRO) proceeding in which the supervised person

1. was found to have caused an investment-related business to lose its authorization to do business; or

2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

**N/A**

D. Any other proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct. If the supervised person resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a proceeding (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

**N/A**

**Note:** You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving the supervised person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the supervised person to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See [SEC rule 204-2\(a\)\(14\)\(iii\)](#) and similar state rule.



### **Other Business Activities**

Form ADV Part 2B, Item 4

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If the supervised person is actively engaged in any investment-related business or occupation, including if the supervised person is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

- If a relationship between the advisory business and the supervised person's other financial industry activities creates a material conflict of interest with clients, describe the nature of the conflict and generally how you address it.
- If the supervised person receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds, disclose this fact. If this compensation is not cash, explain what type of compensation the supervised person receives. Explain that this practice gives the supervised person an incentive to recommend investment products based on the compensation received, rather than on the client's needs.

**N/A**

B. If the supervised person is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of the supervised person's income or involve a substantial amount of the supervised person's time, disclose this fact and describe the nature of that business. If the other business activities represent less than 10 percent of the supervised person's time and income, you may presume that they are not substantial.

**N/A**

### ***Additional Compensation***

Form ADV Part 2B, Item 5

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If someone who is not a client provides an economic benefit to the supervised person for providing advisory services, generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include the supervised person's regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

**N/A**

## ***Supervision***

Form ADV Part 2B, Item 6

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

Explain how you supervise the supervised person, including how you monitor the advice the supervised person provides to clients. Provide the name, title and telephone number of the person responsible for supervising the supervised person's advisory activities on behalf of your firm.

I provide advice to my clients and I supervise the advice I give to my clients. I am subject to, and abide by, all the securities laws and regulations regarding upholding fiduciary duty to clients. Additionally, I am subject to the code of conduct required by, and to the fiduciary and ethical requirements of:

- 1) NAPFA – National Association of Personal Financial Advisors (fee-only advisors)
- 2) CFP Board – Certified Financial Planner® certificants
- 3) FPA – Financial Planning Association
- 4) CFA Institute – Chartered Financial Advisor® charterholders

### **Requirements for State-Registered Advisers**

Form ADV Part 2B, Item 7

**\*\*If you are registered or are registering with one or more state securities authorities, you must respond to the following additional items.**

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING, UNLESS YOU ARE REGISTERED OR REGISTERING WITH THE SEC. IF YOU ARE REGISTERED OR REGISTERING WITH THE STATE, YOU MUST ANSWER EACH ITEM. IF AN ITEM IS NOT APPLICABLE, YOU MUST STATE THAT IT IS NOT APPLICABLE.**

A. In addition to the events listed in Item 3 of Part 2B, if the supervised person has been involved in one of the events listed below, disclose all material facts regarding the event.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

**N/A**

B. If the supervised person has been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status.

**N/A**