

Vermillion Financial Advisors, Inc.

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Brochure

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This brochure provides information about the qualifications and business practices of the Registrant “Vermillion Financial Advisors, Inc.” (VFA). If you have any questions about the contents of this brochure, please contact us at (847) 382-9999 or mlaspisa@vermillionfinancial.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 Vermillion Financial Advisors, Inc. is also available on the SEC’s.

Website at www.sec.gov/investor/brokers.htm

References herein to Vermillion Financial Advisors, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 - Material Changes

This is a revised Brochure referencing following change(s):

- Firm's Assets Under Management (AUM)
- Firms Service Fee's - All Service Agreements
- Firms Service - Language changes on Services

Item 3 - Table of Contents

Item 1	- Cover Page	1
Item 2	- Material Changes	2
Item 3	- Table of Contents	2
Item 4	- Advisory Business	3
Item 5	- Fees and Compensation	17
Item 6	- Performance-Based Fees and Side-by-Side Management	24
Item 7	- Types of Clients	24
Item 8	- Methods of Analysis, Investment Strategies and Risk of Loss	24
Item 9	- Disciplinary Information	25
Item 10	- Other Financial Industry Activities and Affiliations	25
Item 11	- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	25
Item 12	- Brokerage Practices	26
Item 13	- Review of Accounts	27
Item 14	- Client Referrals and Other Compensation	27
Item 15	- Custody	27
Item 16	- Investment Discretion	27
Item 17	- Voting Client Securities	27
Item 18	- Financial Information	27

Item 4 - Advisory Business

1. The Registrant “Vermillion Financial Advisors, Inc.” (VFA) is a corporation formed on August 2, 1988, in the State of Illinois. VFA became registered as an Investment Adviser in September 1988. VFA is owned by Mark S. La Spisa, VFA’s President.
2. VFA provides three services to our clients (individuals, pension and profit-sharing plans, business entities, trusts, estates and charitable organizations, etc.) as set forth below.
 - Financial Planning and Consulting Services
 - Personal Financial Inventory and Hourly services
 - Financial Planning and Consulting services
 - Investment Advisory services
 - Investment Advisory - Employer Sponsored Retirement Plans

Please note: When providing “Financial Planning and Consulting Services” VFA is herein referred to as “PLANNER”. When providing “Investment Advisory Service” VFA is herein referred to as “ADVISOR”.

FINANCIAL PLANNING AND CONSULTING SERVICES

PERSONAL FINANCIAL INVENTORY AND HOURLY

Initial Consultation

VFA will begin by providing the CLIENT a free initial consultation. VFA uses the initial consultation to introduce the CLIENT to VFA’s firm, its services, and staff. At the conclusion of the initial consultation and to the extent specifically requested by a CLIENT, VFA *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, such as retirement planning, estate planning, income tax planning, etc.) on a stand-alone separate fee basis as set forth below.

A. PERSONAL FINANCIAL INVENTORY & HOURLY

The PLANNER shall provide and prepare CLIENT with the personal financial inventory (PFI). The PFI is designed to document CLIENT’s current financial picture and therefore will be as accurate as the information provided by CLIENT. The PFI will generally include, but is not limited to the following:

The PLANNER shall provide and prepare CLIENT with a Personal Financial Inventory (PFI). The PFI is designed to document CLIENT’s current financial picture and therefore will be as accurate as the information provided by CLIENT. The PFI will generally include, but is not limited to the following:

1. **Personal Data:** A listing of CLIENT’s personal information, such as addresses, phone numbers and other important data for the family unit. The family unit would include client, spouse, children, and parents (as dependents). Also included will be a comprehensive list of applicable outside professional advisors, such as insurance agents, accountants, attorneys, etc.
2. **Statement of Net Worth:** PLANNER will create a personal balance sheet; this will document the market value of all CLIENT’s assets less any outstanding liabilities, resulting in the CLIENT’s net worth.
3. **Projected Cash Flow Statement:** PLANNER will create a personal income statement, documenting a CLIENT’s household income and expenses, tax withholdings, savings/investments.
4. **Tax Return Comparison and Preliminary Income Tax Projection:** CLIENT will receive a side-by-side comparison of CLIENT’s last three federal and state tax returns (if provided by CLIENT). This comparison is designed to exhibit a CLIENT’s tax trends and current habits. This will aid PLANNER in calculating future tax liabilities and highlighting potential tax planning strategies. This is not a tax audit or a verification of the accuracy of CLIENT’s returns. (Note: Tax filing mistakes may be discovered during this process and if so, appropriate recommendations will be provided.) A preliminary tax projection of CLIENT’s current year’s income tax picture based on current known factors and assumptions will potentially avoid tax mistakes.
5. **Investment Holdings:** PLANNER will document CLIENT’s current investment positions by registration, asset class, market value and number of shares owned. If deemed beneficial by PLANNER, PLANNER will also include a cost analysis and portfolio hypothetical (back-testing). This will provide CLIENT insight into their investment exposures and an overview of their current investment picture.
6. **Insurance Review:** PLANNER will review CLIENT’s personal and group insurance coverages. Each policy/coverage will be presented for a clearer understanding of the benefits and key policy features. The review will highlight any current or possible future insurance exposures.
7. **Education Preliminary Projection:** For CLIENTS with minors, PLANNER will provide a projection of CLIENT’s current education funding path based on current known factors and PLANNER’s default assumptions. It will allow CLIENT to preview their projected educational cost for a better understanding of their education funding requirements.
8. **Retirement Preliminary Projection:** PLANNER will provide a preliminary projection of CLIENT’s current retirement path based on current known factors and PLANNER’s default assumptions. This will allow CLIENT to preview a projected retirement illustration for a better understanding their retirement security and potential funding challenges.
9. **Estate Planning Review:** PLANNER will gather CLIENT’s estate planning documents and review key provisions for an understanding of CLIENT’s current plan design. This review will provide CLIENT with a summary of potential issues and exposures.
10. **General Recommendations:** PLANNER will provide a summary of key exposures and preliminary considerations discovered through the preparation of CLIENT’s Personal Financial Inventory.

*Note: Specific recommendations are the result of CLIENT’s ongoing relationship with
PLANNER and proceeding through the financial planning process.*

YOUR PERSONAL FINANCIAL INVENTORY PROCESS

PFI MEETING PROCESS

Following the conclusion of your discovery meeting, those **CLIENTS** who have engaged **PLANNER** to provide a PFI shall have the option to receive up to two **CLIENT/PLANNER** meetings as part of this service agreement. Meeting(s) will be scheduled at a convenient time subject to **PLANNER** availability and normal business hours. The meeting objectives covered under this service agreement are:

MEETING ONE: PERSONAL FINANCIAL INVENTORY PRESENTATION

The PFI presentation will cover all topics and analysis covered in "Section A" of this agreement. The PFI presentation is designed to be conversational, whereby **PLANNER** will share their personal insights and experiences with **CLIENT**, doing their best to address **CLIENT's** financial concerns.

During this meeting **PLANNER** will provide you with a list of financial exposures uncovered during the PFI process which can potentially prevent **CLIENT** in achieving **CLIENT's** long term financial objectives. **PLANNER** will provide recommendations **CLIENT** should consider when addressing **CLIENT's** financial exposures. **PLANNER** will highlight the benefits of working with a Certified Financial Planner (CFP) and discuss what reasonable expectations when working with a CFP are. After the completion of the PFI presentation, **PLANNER** will schedule a "PFI Follow-Up Meeting" if deemed beneficial by **PLANNER**.

MEETING TWO: PERSONAL FINANCIAL INVENTORY FOLLOW-UP (Optional)

The time between the PFI Presentation and the "PFI Follow-Up Meeting" allows the **CLIENT** to absorb all information received throughout the PFI. This break between meetings provides **CLIENT** with an opportunity to evaluate/discuss their personal concerns prior to a subsequent meeting. By having this second meeting, **CLIENT** is typically better able to articulate those areas of concerns most important to **CLIENT** whereby they desire **PLANNER's** assistance. This meeting is designed to recap the PFI as a way to review all of the exposures and issues resulting from the PFI meeting. By completing this recap, **CLIENT** will have a base of knowledge whereby **CLIENT** and **PLANNER** can have a discussion regarding desired future services, set up a service plan and document each party's duties/responsibilities for the new service plan. For **CLIENTs** who have committed to a new service plan for financial planning services, **PLANNER** will provide a detailed questionnaire on the initial discipline prioritized by **CLIENT**. The questionnaire will commence the **PLANNER's** financial planning service.

Note: While generally recommended, this meeting is not always required.

FUTURE FINANCIAL PLANNING SERVICES

After the completion of the PFI Follow-up meeting, **PLANNER** will provide **CLIENT** with a new service agreement for the services chosen by **CLIENT**. Those **CLIENTs** who do not select a new service plan and then request future financial planning services, **CLIENT** will by default be provided such services on an hourly basis.

HOURLY CONSULTATION (HRLY) - Default service option if no other service is selected.

Hourly Consultation is the default payment option for any, and all, services provided to the **CLIENT**. **CLIENTs** who choose a service plan below will be charged the fee associated with the selected service plan. Services provided to **CLIENT** by **PLANNER** that are beyond the scope of the services detailed in this agreement (such as financial planning services or unique investment services) or services requested after the termination of this, or any other service agreement shall be performed at (1) the prevailing hourly rates, (2) the advisor's minimum fee, and (3) subject to each financial advisor's level. **PLANNER** charges a different fee structure for each financial advisor level as set forth below under "Schedule A - Fee Schedule" of this agreement. If any other service is necessary for advisor to fulfill other selected services, the **CLIENT** will be charged for necessary services based on prevailing rates.

WHAT OTHER FINANCIAL PLANNING SERVICES ARE AVAILABLE?

FINANCIAL PLANNING SERVICES

PLANNER's financial planning service begins with a detailed questionnaire on each discipline in the order prioritized by **CLIENT** to ascertain **CLIENT's** attitudes and experiences related to each financial discipline. This is generally followed by an analysis and specific recommendations to address **CLIENT's** current exposures and long-term goals. Below is a list of financial planning disciplines that are available.

Education Plan:

PLANNER will assist **CLIENT** in determining **CLIENT's** education Funding objectives for current or future children (or grandchildren). **PLANNER** will help **CLIENT** to determine a family education funding policy. This family education policy will determine the funding responsibilities between parents and children. After documenting the education funding plan, **PLANNER** will make specific recommendations to help **CLIENT** achieve stated funding goals. **PLANNER** does not provide services relating to student aid programs, grants or scholarships.

Estate Planning:

EP consists of planning for the effects of an incapacitation and/or death. EP is defined as planning for the preservation and transfer of **CLIENT's** assets through the use of a will, powers of attorney(s) and revocable living trust. EP begins with a review of any existing EP documents. **PLANNER** will use these documents to provide a base line for the **CLIENT's** past thoughts toward EP issues. An EP questionnaire is then used to assist **CLIENT** in determining and uncovering new goals and exposures that may or may not be known. Once clarity of **CLIENT's** goals have been established then a strategy can be designed by **PLANNER** and recommendations that best fits within the **CLIENT's** overall financial plan will be provided. Recommendations can cover preserving the **CLIENT's** estate by minimizing taxes and legal fees, setting up a family asset distribution plans with the goal of preserving independence and family relationships, and preserving family history. Once EP goals have been established, the **PLANNER** will aid **CLIENT's** attorney, as reasonably requested, with communication and information necessary to complete the proper drafting of any new necessary document(s). **CLIENT** acknowledges that **PLANNER** does not draft documents nor are in the business of practicing law. When it comes to EP matters, **PLANNER's** role shall be that of a facilitator between the **CLIENT** and **CLIENT's** corresponding attorney(s).

Insurance Analysis (IA):

Insurance is defined as the transfer of risk from oneself to another person or entity more financially capable of tolerating the negative effects of a financial loss in exchange for paying a premium. An IA begins with the review of existing insurance policies to uncover exposures such as: (1) underinsured coverage, (2) excess coverage or (3) unnecessary coverage. As an aid to **PLANNER**, an insurance questionnaire is utilized to document past experiences, current coverage decisions and concerns toward potential exposures in coverages. **PLANNER** will provide **CLIENT** with specific insurance recommendations, including the appropriate levels of coverage, specific policy features and alternative strategies. **CLIENT** is under no obligation to utilize **PLANNER** to purchase any new recommended insurance policy. For **CLIENTS** who have a relationship with a competent insurance agent, **PLANNER** prefers **CLIENT** to seek new policies through existing agent. When no such relationships exist or if desired by **CLIENT**, specific insurance policies and carriers can be provided by **PLANNER** upon request. (NOTE: If **PLANNER** provides an insurance policy recommendation, **PLANNER** does so as a fiduciary. If a new insurance plan is purchased through **PLANNER** resulting in a new policy being issued, **PLANNER** will earn commission compensation as a result of any insurance plan purchased. Most insurance companies' current business models do not allow new policies to be issued without a commission being paid to an agent upon issuing a new policy.)

Investment Planning (IP):

Investment service comes in many sizes and shapes. Depending on the current portfolio size, **CLIENTS** stage of life, needs and portfolio complexity. Planning can range from simple and educational to complex and technical. **PLANNER** investment services allows **CLIENT** to choose among several programs. These programs are designed to evolve as **CLIENT's** needs become more complex or to simplify as needs become more basic.

Investment Analysis (IA):

The Investment Analysis may include all or none of the following based on what is deemed beneficial to **CLIENT** by **PLANNER**.

- a) **Risk Assessment:** If deemed beneficial by **PLANNER**, **PLANNER** will utilize a risk assessment (RA) to benchmark current and acceptable **CLIENT** risk tolerance.
- b) **Investment Questionnaire:** To help **PLANNER** determine **CLIENT's** future investment objectives, **ADVISOR** will utilize a process that begins with the usage of an investment questionnaire (IQ). The IQ will be used to conduct a thorough interview of **CLIENT** to (1) uncover historical experiences, (2) decisions relating to current investment holding, (3) clarify long-term investment goals/needs, and (4) determine investment exposures/conflicts.
- c) **Client Education:** The IQ allows **PLANNER** to be able to identify and present areas of investment education beneficial to **CLIENT**.

PLANNER uses multiple analysis to assist **CLIENT** to meet their investment needs. These analysis are, but not limited to, the following:

- a) **Back Testing:** This is whereby current investment holdings are analyzed for historical average performance and volatility factor. This will allow **CLIENT** to better understand the expected rate of return and risk level they are currently experience from current holdings.
- b) **Cost Analysis:** **CLIENT** holding are analyzed for current and ongoing cost structure. This will help client determine if value is being received for cost incurred and if any cost can be reduced/eliminated.
- c) **Asset Allocation Target:** **PLANNER** will help **CLIENT** determine an appropriate portfolio asset allocation mixture. The asset allocation target will be provided in either (1) the form of a customized portfolio, (2) a model asset allocation recommendation and/or (3) **PLANNER** experience.
- d) **Tax Impact Evaluation:** This helps **PLANNER** determine which assets should be funded into **CLIENT's** various account registrations to reduce the tax implication on **CLIENT's** current and future taxable income/liabilities.

***NOTE:** On-going investment monitoring is **not** provided as part of this service, and all investment tools may or may not be used if deemed not beneficial by **PLANNER**.*

Investment Policy Statement (IPS):

An investment analysis and investment policy statement is prepared for **CLIENTS** who desire a customized design portfolio. It is an investment blueprint drafted between **PLANNER** and **CLIENT** that outlines general investment guidelines for the **CLIENT's** current and target investment portfolio including recommended changes. This statement outlines key investment provisions to evaluate, manage and monitor an investment portfolio. It includes the general investment goals and objectives of **CLIENT** and describes the strategies and parameters that **PLANNER** should employ to meet these objectives. Specific information on matters such as the below and more will also be included as part of an IPS.

- | | |
|--|------------------------------------|
| -asset allocation policy | -income tax considerations |
| -risk tolerance | -monitoring benchmarks |
| -investment selection and replacement guidelines | -principal preservation strategies |
| -portfolio distribution plans | -portfolio liquidity requirements |

***Note:** **CLIENT's** who desire on-going investment management and monitoring services will need to engage a service plan through **PLANNERs** Investment Advisory Services. **CLIENT** is under no obligation to execute **PLANNER's** additional services.*

Retirement Planning (RP):

Retirement planning is the projection and evaluation of the likelihood that financial security is probable throughout retirement. It is whereby all resources are considered and deployed under reasonable assumptions to illustrate how long resources will last based on various factors and standards of living. Upon the completion of retirement questionnaire and, if applicable, the review of any existing employer sponsored retirement plans, **PLANNER** will document **CLIENT's** retirement goals and objectives followed by the appropriate analysis depending on the **CLIENT's** current stage of life:

Pre-Retirement Analysis:

This planning allows **CLIENTS's** who are not currently retired to take a forward look at their current retirement glide path. **PLANNER** will begin with **CLIENTS's** current standard of living and inventory current resources including but not limited to projected Social Security benefits, all employer sponsored retirement programs, personal retirement assets, projected future savings and spending standards. Once this information has been documented, **PLANNER** will prepare a retirement model illustrating the projected retirement resources and various outcomes based on **CLIENT's** desired assumptions on key factors such as (but not limited to) future projected savings habit, investment return, inflation, and future housing requirements. **PLANNER** will provide recommendations to enhance strengths and minimize weaknesses. The goal of this analysis is for **PLANNER** to work with **CLIENT** to improve the **CLIENT's** projected retirement capabilities and confidence when transitioning into retirement.

Post-Retirement Analysis:

This analysis focuses on the stage of life that follows employment. It emphasizes on the evaluation of retirement resources and expected longevity. The goal of this analysis is to use a year-by-year comparison to illustrate the **CLIENT's** projected retirement resources and the likelihood of such resources continuing throughout retirement. **PLANNER** will provide recommendations to enhance **CLIENT's** retirement security and minimize financial issues that challenge the dependability of retirement income. This planning will help **CLIENT** determine if changes are required to improve funding capabilities or if a surplus is likely to exist giving **CLIENT** more choices as to what they prefer to do with the projected surplus.

Tax Planning (TP):

Tax planning (TP) is used to minimize both current and future personal income tax liability. It uses income tax shifting techniques of pushing or pulling income and expenses into years which can result in higher or lower tax rates in a specific tax year with the goal of lowering overall tax liabilities. TP can include but are not limited to shifting tax liability from a current generation to a future generation in lower tax brackets or by the conversion of higher tax income categories to those more favorable.

TP starts with the evaluation of **CLIENT's** current and past income tax returns for income sources and tax deductions. **PLANNER** uses a TP questionnaire to document **CLIENT's** tax goals and objectives while seeking previously unused income tax strategies available to **CLIENT**. **PLANNER** will provide TP projections of recommended possible income tax reduction when and where strategies available. **PLANNER** will review **CLIENT's** current tax withholdings and/or quarterly installments for adjustments, if necessary.

Tax Return Review:

PLANNER is available to provide **CLIENT** with review of any prepared tax return for **PLANNER's** review. To do so, **CLIENT** must furnish **PLANNER** with a copy of **CLIENT's** tax return and all supplemental information used in the preparation of such return. **PLANNER** will review the entire return for its accuracy. This service is included in **CLIENT's** monthly or quarterly service plans, otherwise is available on hourly basis.

Tax Projection(s):

PLANNER will use **CLIENT's** previous tax returns and **CLIENT's** future estimates of income and deductions in the preparation of tax projection to determine **CLIENT's** current year and/or future year's tax picture. **PLANNER** will also review **CLIENT's** current tax withholdings and/or quarterly installments for adjustments, if necessary. **PLANNER** (if applicable) will suggest potential tax reduction strategies that may be suitable for **CLIENT** considering **CLIENT's** current tax habits and long-term goals.

Note: PLANNER does not provide accounting services. If **CLIENT** does not have a competent tax preparer, or self-prepares tax returns, **PLANNER** may refer **CLIENT** to a new tax preparer. **PLANNER** tax planning services do not include an audit of any past income tax return and supplemental documents used in past preparation.

Major Purchase /Event Planning - Unique Planning Goals or Circumstances (MP):

PLANNER will assist client in determining the necessary resources to use when planning for a major purchase such as buying a new car, home or business. **PLANNER** will also assist in event planning such as a child's adoption or wedding.

B. FINANCIAL PLANNING SERVICES

After the completion of the PFI Follow-up meeting, **PLANNER** will provide **CLIENT** with a new service agreement for the services chosen by **CLIENT**. Those **CLIENTs** who do not select a new service plan and then request future financial planning services, **CLIENT** will by default be provided such services on an hourly basis.

HOURLY CONSULTATION - Default service option if no other service is selected.

Hourly Consultation is the default payment option for any and all services provided to the **CLIENT**. **CLIENTs** who choose a service plan below will be charged the fee associated with the selected service plan. Services provided to **CLIENT** by **PLANNER** that are beyond the scope of the services detailed in this agreement (such as financial planning services or unique investment services) or services requested after the termination of this, or any other service agreement shall be performed at (1) the prevailing hourly rates, (2) the advisor's minimum fee, and (3) subject to each financial advisor's level. **PLANNER** charges a different fee structure for each financial advisor level as set forth below under "*Schedule A - Fee Schedule*" of this agreement. If any other service is necessary for advisor to fulfill other selected services, the **CLIENT** will be charged for necessary services based on prevailing rates.

PLANNER's financial planning service begins with a detailed questionnaire on each discipline in the order prioritized by CLIENT to ascertain CLIENT's attitudes and experiences related to each financial discipline. This is generally followed by an analysis and specific recommendations to address CLIENT's current exposures and long-term goals. Below is a list of financial planning disciplines that are available.

VFA provides various financial analyses such as:

Education Planning

Insurance Analysis

Retirement Planning

- *Pre-Retirement Analysis*
- *Post-Retirement Analysis*

Major Purchase/Event Planning

Investment Planning

- *Investment Analysis*
- *Investment Policy Statement*

Estate Planning

Tax Planning

- *Tax Return Review*
- *Tax Projection*

FINANCIAL PLANNING and CONSULTING AGREEMENT

These alternative programs are for those CLIENT's who have completed the initial financial planning process. The original analyses and action plans implemented in the initial planning stage will be monitored in comparison to the CLIENT's current financial status and the probability of reaching long-term financial goals.

The PLANNER shall provide CLIENT with the financial planning and/or consulting services selected and described below by the CLIENT. Any service requested by CLIENT not covered by below selected service CLIENT agrees will be provided on an hourly basis. Upon completion of the services set forth within or failure to renew such agreement, CLIENT acknowledges, PLANNER's engagement and corresponding responsibilities/obligations shall be concluded. Following any termination of services or in the event CLIENT's financial situation or objectives change, CLIENT may engage PLANNER to review previous services and/or recommendations, and/or to provide other consulting services. CLIENT agrees that any such additional services shall be provided at PLANNER's then current hourly rate or some other mutually agreeable fee arrangement.

A. HOURLY CONSULTATION - Default service if no other service is selected.

Hourly Consultation is the default payment option for any, and all, services provided to the CLIENT. CLIENTS who choose a service plan below will be charged the fee associated with the selected service plan. Services provided to CLIENT by ADVISOR that are beyond the scope of the services detailed in this agreement (such as investment services) or services requested after the termination of this, or any other service agreement shall be performed at (1) the prevailing hourly rates, (2) the advisor's minimum fee, and (3) subject to each financial advisor's level. ADVISOR charges a different fee structure for each financial advisor level as set forth below under "*Schedule A - Fee Schedule*" of this agreement. If any other service is necessary for advisor to fulfill other selected services, the CLIENT will be charged for necessary services based on prevailing rates.

B. APPOINTMENT FREQUENCY

B1 - ELEVEN APPOINTMENT BUNDLE

The "Eleven Appointment Bundle" offers CLIENT one reoccurring appointment per month: total of eleven appointments per year (excluding the last two weeks of December and first two weeks of January).

B2 - SIX APPOINTMENT BUNDLE

The "Six Appointment Bundle" offers CLIENT one reoccurring appointment every other month: total of six appointments per year (excluding the last two weeks of December and first two weeks of January).

B3 - FOUR APPOINTMENT BUNDLE

The "Four Appointment Bundle" offers CLIENT one reoccurring appointment per quarter: total of four appointments per year (excluding the last two weeks of December and first two weeks of January).

B4 - TWO APPOINTMENT BUNDLE

The "Two Appointment Bundle" offers CLIENT one reoccurring appointment semi-annually, total of two appointments per calendar year (excluding the last two weeks of December and first two weeks of January).

B5 - ANNUAL APPOINTMENT BUNDLE

The "Annual Appointment Bundle" offers one reoccurring appointment annually, total of one appointment per calendar year (excluding the last two weeks of December and first two weeks of January).

B6 - ADDITIONAL SCHEDULED APPOINTMENTS

The "Additional" service plan offers the opportunity to customize a service plan by adding an additional CLIENT/Advisor appointment(s) to any of the above listed service plans.

Service plans are designed to analyze CLIENT's current financial status and monitor the progress towards CLIENT reaching their long-term financial goals. While this service agreement is in effect, the following is a summary of services that are available:

FINANCIAL PLANNING SERVICES

PLANNER's financial planning service begins with a detailed questionnaire on each discipline in the order prioritized by **CLIENT** to ascertain **CLIENT's** attitudes and experiences related to each financial discipline. This is generally followed by an analysis and specific recommendations to address **CLIENT's** current exposures and long-term goals. Below is a list of financial planning disciplines that are available.

Retirement Planning (RP):

Retirement planning is the projection and evaluation of the likelihood that financial security is probable throughout retirement. It is whereby all resources are considered and deployed under reasonable assumptions to illustrate how long resources will last be based on various factors and standards of living. Upon the completion of retirement questionnaire and, if applicable, the review of any existing employer sponsored retirement plans, **PLANNER** will document **CLIENT's** retirement goals and objectives followed by the appropriate analysis depending on the **CLIENT's** current stage of life:

Pre-Retirement Analysis:

This planning allows **CLIENTS's** who are not currently retired to take a forward look at their current retirement glide path. **PLANNER** will begin with **CLIENTS's** current standard of living and inventory current resources including but not limited to projected Social Security benefits, all employer sponsored retirement programs, personal retirement assets, projected future savings and spending standards. Once this information has been documented, **PLANNER** will prepare a retirement model illustrating the projected retirement resources and various outcomes based on **CLIENT's** desired assumptions on key factors such as (but not limited to) future projected savings habit, investment return, inflation, and future housing requirements. **PLANNER** will provide recommendations to enhance strengths and minimize weaknesses. The goal of this analysis is for **PLANNER** to work with **CLIENT** to improve the **CLIENT's** projected retirement capabilities and confidence when transitioning into retirement.

Post-Retirement Analysis:

This analysis focuses on the stage of life that follows employment. It emphasizes on the evaluation of retirement resources and expected longevity. The goal of this analysis is to use a year-by-year comparison to illustrate the **CLIENT's** projected retirement resources and the likelihood of such resources continuing throughout retirement. **PLANNER** will provide recommendations to enhance **CLIENT's** retirement security and minimize financial issues that challenge the dependability of retirement income. This planning will help **CLIENT** determine if changes are required to improve funding capabilities or if a surplus is likely to exist giving **CLIENT** more choices as to what they prefer to do with the projected surplus.

Tax Planning (TP):

Tax planning (TP) is used to minimize both current and future personal income tax liability. It uses income tax shifting techniques of pushing or pulling income and expenses into years which can result in higher or lower tax rates in a specific tax year with the goal of lowering overall tax liabilities. TP can include but are not limited to shifting tax liability from a current generation to a future generation in lower tax brackets or by the conversion of higher tax income categories to those more favorable.

TP starts with the evaluation of **CLIENT's** current and past income tax returns for income sources and tax deductions. **PLANNER** uses a TP questionnaire to document **CLIENT's** tax goals and objectives while seeking previously unused income tax strategies available to **CLIENT**. **PLANNER** will provide TP projections of recommended possible income tax reduction when and where strategies available. **PLANNER** will review **CLIENT's** current tax withholdings and/or quarterly installments for adjustments, if necessary.

Tax Return Review:

PLANNER is available to provide **CLIENT** with review of any prepared tax return for **PLANNER's** review. To do so, **CLIENT** must furnish **PLANNER** with a copy of **CLIENT's** tax return and all supplemental information used in the preparation of such return. **PLANNER** will review the entire return for its accuracy. This service is included in **CLIENT's** monthly or quarterly service plans, otherwise is available on hourly basis.

Tax Projection(s):

PLANNER will use **CLIENT's** previous tax returns and **CLIENT's** future estimates of income and deductions in the preparation of tax projection to determine **CLIENT's** current year and/or future year's tax picture. **PLANNER** will also review **CLIENT's** current tax withholdings and/or quarterly installments for adjustments, if necessary. **PLANNER** (if applicable) will suggest potential tax reduction strategies that may be suitable for **CLIENT** considering **CLIENT's** current tax habits and long-term goals.

Note: PLANNER does not provide accounting services. If **CLIENT** does not have a competent tax preparer, or self-prepares tax returns, **PLANNER** may refer **CLIENT** to a new tax preparer. **PLANNER** tax planning services do not include an audit of any past income tax return and supplemental documents used in past preparation.

Estate Planning (EP):

EP consists of planning for the effects of an incapacitation and/or death. EP is defined as planning for the preservation and transfer of **CLIENT's** assets through the use of a will, powers of attorney(s) and revocable living trust. EP begins with a review of any existing EP documents. **PLANNER** will use these documents to provide a base line for the **CLIENT's** past thoughts toward EP issues. An EP questionnaire is then used to assist **CLIENT** in determining and uncovering new goals and exposures that may or may not be known. Once clarity of **CLIENT'S** goals has been established then a strategy can be designed by **PLANNER** and recommendations that best fits within the **CLIENT's** overall financial plan will be provided. Recommendations can cover preserving the **CLIENT's** estate by minimizing taxes and legal fees, setting up a family asset distribution plans with the goal of preserving independence and family relationships, and preserving family history. Once EP goals have been established, the **PLANNER** will aid **CLIENT's** attorney, as reasonably requested, with communication and information necessary to complete the proper drafting of any new necessary document(s). **CLIENT** acknowledges that **PLANNER** does not draft documents nor are in the business of practicing law. When it comes to EP matters, **PLANNER's** role shall be that of a facilitator between the **CLIENT** and **CLIENT's** corresponding attorney(s).

INVESTMENT ADVISORY SERVICES

Initial Consultation

VFA will provide an Initial Investment Advisory consultation to gather information about the **CLIENT's** investment objectives, financial condition, and risk tolerance, which VFA uses in forming its investment advice. At the conclusion of the initial consultation and to the extent specifically requested by a **CLIENT**, VFA *may* determine to provide Investment Advisory Services as set forth below.

VFA offers several Investment Advisory services for a **CLIENT** to choose from depending on what a **CLIENT** determines will best meet that **CLIENT's** specific needs and long-term goals. A **CLIENT** has the option to choose one or more of such services and/or is free to switch among these services as the **CLIENT's** needs or economics change over time.

INVESTMENT RECOMMENDATIONS SERVICES

The **ADVISOR** shall provide to **CLIENT** as part of this agreement the investment advisory services designated by the **CLIENT** below, subject to the terms and provisions hereof.

A. INVESTMENT ADVISORY SERVICES

CLIENTs who desire to benefit from the experience and research of **ADVISOR** and who transfer their investment assets to one of several available independent custodians with **ADVISOR** acting as an independent registered investment advisor on behalf of **CLIENT** may engage **ADVISOR** to provide one of the below specific "*Investment Advisory Services*" for such investment account(s). Investment Advisory Services can be provided either as a model portfolio referred to as a Target Investment Portfolio's (TIPs) or customized portfolio solution (CPs). **CLIENTS** will incur a monthly charge for the service plan of choice. **Note:** See "Service Plan and Report Comparison Chart" below for a description of the reoccurring reports included in the selected investment service.

A1 - Target Investment Portfolio - Tier One - Gold Plan Investment Services

Target Investment Portfolio's (TIPs) are pre-designed model portfolios intended to meet a target return and level of risk when compared to the S&P 500. TIPs are most appropriate for clients whose circumstances do not warrant a customized portfolio due to size, simplicity or lack of potential benefit to those clients. TIPs may be used in conjunction with assets held at an outside custodian (e.g., employer sponsored retirement plan, insurance company, outside brokerage firm, held in certificate form, etc.). All TIPs generally carry VFAs standards relating to portfolio design, rebalancing and asset replacement found below.

VFA standards relating to portfolio design, rebalancing and asset replacement are as follows unless otherwise determined by **ADVISOR** and **CLIENT**:

- 1. Portfolio Target Size Parameters:** All TIP portfolios investment holdings (assets) will generally carry a minimum size and a maximum size target (An investment holding shall be defined by unique CUSIP/Symbol) as follows:

- a. Managed Assets (mutual fund/exchange traded fund)
 - i. Minimum Size: 3%
 - ii. Maximum Size: 10%
- b. Individual Security (stock)
 - i. Minimum Size: 1%
 - ii. Maximum Size: 3%

- 2. Portfolio Rebalancing Guidelines:**

- a. When necessary, **ADVISOR** will rebalance **CLIENT** portfolio: (1) only among preexisting security positions and consistent with the previously agreed upon target Asset allocation and (2) When one of the following rebalance triggers has been met:
 - i. Managed Assets (mutual fund/exchange traded fund)
 1. Shall be rebalanced when a target position has a variance of more than 3% (on an absolute basis) or 40% (on a sensitivity basis)
 - ii. Individual Security (stock)
 1. Shall be rebalanced when a target position shrinks to a variance of 50% of its target weighting (i.e. 2% target shrinks to 1%)
 2. Shall be rebalanced when a target position grows by 100% of its target weighting (i.e. 2% position grows to 4%)

- b. Asset Review Triggers: As an advisory team guideline, underperforming assets are generally defined as an asset whereby performance is (1) less than 50% of its peer group (for a period of at least 12 months and or 3 years), or (2) has consistently underperformed its peers for more than (5) five consecutive periods (consecutive periods are either quarters, 12-months or 3-year periods), or (3) Volatility is elevated by more than 150% of its peer groups factor, or (4) when investing in a managed investment (mutual funds) there is a decline in managers tenure.

If after performing a review the advisory team determines a replacement is recommended, **CLIENT** will receive such recommendation in writing and **CLIENT** approval will be required prior to making such change to investment holdings.

A2 - Custom Portfolio - Tier Three - Platinum Plan Investment Services

Custom portfolios hereafter referred to as “CPs” are custom designed to meet **CLIENT**’s personalized portfolios goals. This service is best suited for those clients that do not desire a one-size fits all solution or model portfolio. CPs are offered to **CLIENTS** whose circumstances warrant the individual design due to increased size, complexity or need. CPs are designed to meet a **CLIENT**’s personal return target, risk tolerance and long-term goals such as retirement or estate planning needs. CPs can include all assets owned by **CLIENT** regardless of the custodian where held (employer retirement plan, investment accounts held elsewhere, etc.). Each CP report includes a personalized **CLIENT/ADVISOR** meeting to review important **ADVISOR** recommendations resulting from each **ADVISOR** reviewed report. **CLIENTS** who select a CP will be provided a risk assessment, investment analysis and an investment policy statement as part of their set-up process.

Investment Portfolio and Monitoring Services

Each CP must select a frequency for our Investment Portfolio and Monitoring Services (IPRAMS). This portfolio monitoring service is one of the most comprehensive monitoring programs available in the investment management industry. IPRAMS is our premier investment service and is highly recommended for all **CLIENTS** who desire on-going monitoring, individualized management and flexibility. **CLIENTS** who wish to be proactive and want better control of their investment portfolio are strongly encouraged to select an IPRAMS service plan. IPRAMS monitors **CLIENT** portfolios toward the objective of meeting **CLIENT** long-term financial goals. This is accomplished through a series of reports that monitor but are not limited to rate of return, allocation mixture, risk management, asset size, cash flow distributions, portfolio taxation, investment benchmarking, and asset replacement. IPRAMS covers all assets selected to be monitored by **CLIENT**.

- **Investments included under Portfolio Monitoring:** All investments will be included in the IPRAMS report unless otherwise indicated on Schedule B. A **CLIENT** may request in writing, to add or subtract any investment(s) or account(s) from the IPRAMS report. As a result, IPRAMS may or may not include all the investable assets owned by the **CLIENT**. **CLIENT** agrees that any new replacement investment(s) made from the proceeds of the sale/completion of an investment currently being tracked, will automatically be tracked. Any additional contributions to an investment “**Account**” selected for tracking by IPRAMS will be included in the report.
- **Investment Policy Statement and Client Targets:** The targeted numbers contained in IPRAMS are based on the **CLIENT**’s stated goals and objectives as documented in their Investment Policy Statement (IPS) (and subsequent updates). It is assumed that these goals and objectives currently reflect the **CLIENT**’s views. It is the responsibility of the **CLIENT** to notify **ADVISOR** of any/all changes in **CLIENT**’s views, goals and objectives.

IPRAMS Report Frequency:

IPRAMS – Quarterly

This service provides **CLIENT** with four (4) IPRAMS reports per calendar year, “*Quarterly*” reports are created on a calendar quarter-end basis.

IPRAMS - Semi-Annual

This service provides **CLIENT** with two (2) IPRAMS reports per calendar year, “*Semi-Annual*” reports are created on a calendar quarter-end basis of **CLIENT**’S choosing.

IPRAMS - Annual

This service provides **CLIENT** with one (1) IPRAMS reports per calendar year, this “*Annual*” report is created on a calendar quarter-end basis of **CLIENT’S** choosing.

<u>INVESTMENT ADVISORY SERVICE PLAN OPTIONS</u>	TIER 1 Gold Plan	TIER 2 Platinum Plan
Reports included in Selected Service Plan indicated with check mark (✓) : (Subject to Change without <i>CLIENT</i> approval)	Target Investment Portfolio (TIP)	Investment Portfolio Reporting and Monitoring Service (IPRAMS)
<i>Portfolio Summary Report</i>	✓	✓
<i>Position Performance Summary</i>	✓	
<i>Asset Index Report</i>	✓*	✓
<i>Portfolio Investment Recommendations Trade Sheet (As Needed)</i>	✓	✓
<i>Invoice & Report Fee Calculations</i>	✓	✓
<i>Current Portfolio Values</i>	✓	✓
<i>Asset Allocation Report</i>	Advisor Discretion	✓
<i>Internal Rate of Return - Quarter, YTD, 1 YR, 3 YR, 5 YR, 10 YR, Inception</i>		✓
<i>Standard Deviation Report</i>		✓
<i>Investment Activity for Period</i>		✓
<i>Portfolio History Detail Report</i>		✓
<i>Consolidated Position and Asset Cash Flow Report</i>		✓
<i>Unrealized Gain/Loss Report</i>		✓
<i>Realized Gain/Loss Report</i>		✓
<i>Tax Withholding Report</i>		✓
<u>Report Frequency</u>	3x / Year	Client Report Frequency will match their choice of Quarterly, Semi-Annually, Annually or On-Demand
* Indicates that Clients Receive this Report Annually.		

B. Hourly Consultation, New Account Set-Up, Risk Assessment, Investment Analysis, Investment Policy Statement and Options

All services in Section B of this agreement are applicable to all **CLIENTS** when and if deemed necessary for **ADVISOR** to perform the services selected by **CLIENT**.

B1 - HOURLY CONSULTATION - Default Service if no other service is selected.

Hourly Consultation is the default payment option for any/all services provided to the **CLIENT**. **CLIENTS** who choose a service plan above, will be charged the fee associated with the selected service plan. Services requested by **CLIENT** and accepted by **ADVISOR**, in writing, that are beyond the scope of the services detailed in Service Plans A, B2, and C and are not covered by the scope of a separate agreement in place between **ADVISOR** and **CLIENT** (i.e. financial planning services or unique investment services) or services requested after the termination of this, or any other service agreement, shall be performed at (1) the prevailing hourly rates, (2) the advisor’s minimum fee, and (3) subject to each financial advisor’s level. **ADVISOR** charges a different fee structure for each financial advisor level as set forth below under “*Schedule A – Fee Schedule*” of this agreement. If any other service is necessary for advisor to fulfill other selected services, the **CLIENT** will be charged for such necessary services based on prevailing rates.

NOTE: Service Plans A and B2 are not available on an hourly basis.

B2 - OPTION STRATEGY

Option Strategy Fees are transaction fees based upon the market value (commonly referred to as the “Notional Value”) of the option strategy used. The Notional Value is the market value of the amount of a stock controlled by the option contract multiplied by the strike price. The fees charged to utilize Options in a **CLIENT’S** portfolio are intended to cover additional **ADVISOR’S** time to set up the option strategy, present, execute, monitor the option trade transaction through expiration and cover the cost of Vermillion Financial Advisor’s required liability insurance coverage.

C. New Account Set-Up, Risk Assessment, Investment Analysis, and Investment Policy Statement

All services in Section C of this agreement are applicable to all **CLIENTS** when and if deemed necessary for **ADVISOR** to perform the services selected by **CLIENT**.

C1 - NEW ACCOUNT FEES

All investment accounts that are required to be established are subject to a new account fee per account.

C2 - RISK ASSESSMENT

If deemed beneficial by **ADVISOR**, **ADVISOR** will utilize a risk assessment (RA) to benchmark current and acceptable **CLIENT** risk tolerance level. **ADVISOR** will use the RA to help determine portfolio allocation, asset selection, model suitability toward meeting a **CLIENT**'s long-term goals and objectives.

C3 - INVESTMENT ANALYSIS

Investment Analysis (IA): Is a tool used to help **ADVISOR** determine **CLIENT**'s future investment objectives, **ADVISOR** uses a process that begins with the collection of pertinent historical information available on current investment holdings (such as investment statements, transaction history (buys and sells), cost basis, registration information, etc.). After **CLIENT** data has been collected, an investment questionnaire (IQ) is used to conduct a thorough interview of **CLIENT**'s historical experiences and investment holding decisions. This process helps **ADVISOR** to clarify long-term investment goals/needs, exposures, and conflicts.

This is generally followed by **ADVISOR** utilizing:

- 1) a risk tolerance assessment (up to a maximum of two risk assessments) to benchmark current and acceptable risk tolerance (RA),
- 2) evaluate current portfolio allocation by back-test current investment holdings for various time periods to determine historical average performance and volatility factor,
- 3) stress-test portfolio to determine performance and volatility through various market conditions,
- 4) provide an analysis of the cost structure of current investment holdings to determine the initial, current, and annual on-going expenses,
- 5) create a tax exposure report showing **CLIENT**'s unrealized capital gains and
- 6) evaluate the income generated by current investments.

Specific recommendations and on-going investment monitoring are **not** provided as part of the Investment Analysis. **CLIENT**s who desire specific recommendations, on-going investment management and monitoring services will need to select a service from **SECTION TWO – Part A**.

C4 - CREATION of an INVESTMENT POLICY STATEMENT

Investment Policy Statement (IPS): Is an investment blueprint drafted between **ADVISOR** and **CLIENT** that outlines general investment guidelines for **CLIENT**. The IPS service includes the investment analysis above (C3). The IPS includes **CLIENT**'s current and target investment portfolio allocation changes. The IPS outlines key investment provisions to evaluate, manage, and monitor the **CLIENT**'s investment portfolio. It includes the general investment goals and objectives of **CLIENT** and describes the strategies and parameters that **ADVISOR** should employ to meet these objectives. Specific information on matters such as asset allocation policy, risk tolerance, investment selection and replacement guidelines, portfolio distribution plans, income tax considerations, monitoring benchmarks, principal preservation strategies, portfolio liquidity requirements, and more will also be included as part of an IPS.

INVESTMENT ADVISORY for Employer Sponsored Retirement Plans

A. HOURLY CONSULTATION - Default service option if no other service is selected.

Hourly Consultation is the default payment option for any, and all, services provided to the PLAN SPONSOR. PLAN SPONSORS who choose a service plan below will be charged the fee associated with the selected service plan. Services provided to PLAN SPONSOR by **ADVISOR** that are beyond the scope of the services detailed in this agreement (such as financial planning services or unique investment services) or services requested after the termination of this, or any other service agreement shall be performed at (1) the prevailing hourly rates, (2) the advisor's minimum fee, and (3) subject to each financial advisor's level. **ADVISOR** charges a different fee structure for each financial advisor level as set forth below under "Item 5" of Brochure. If any other service is necessary for advisor to fulfill other selected services, the PLAN SPONSOR will be charged for necessary services based on prevailing rates.

B. RETIREMENT PLAN SELECTION

Employer Sponsored Retirement Plans generally fall into one of three categories, Individual Retirement Accounts (IRAs), Defined Contribution Plans (DC), or Defined Benefit Plans (DB). Small businesses may choose to offer any of these three options to employees as retirement savings vehicles. Many PLAN SPONSORS make available one or more of these retirement plan options.

Note: Service Plans found below in section C are not available on an hourly basis.

B1 - Initiator Program - Payroll Deducted IRA Program - Traditional/Roth/Simple/SEP IRA's

Description: Employees tend to think of an IRA as something that they need to establish on their own, but an employer can help its employees set up and fund their IRAs. With an IRA, the amount that an individual receives at retirement depends on the account contributions and the return on investment. The Payroll Deducted IRA Program is an entry level retirement service offered by employers interested in assisting their employees save for retirement. It allows an employer to begin offering a pre- or post-tax Payroll Deducted IRA account with the assistance of an investment professional. This Payroll Deducted IRA Program is recommended to be offered to all company employees (but may not be required by law for Traditional and Roth IRAs). This service provides initial retirement plan services including evaluating the appropriate type of IRA account platform, mutual fund selection menu and the establishment of a payroll deducted contribution plans for all employees participating.

B2 - Defined Contribution Plans - 401k, Profit Sharing, etc.

Description: A Defined Contribution Plan (DC) is a retirement plan which is commonly referred to as a 401k, 403b or a profit-sharing plan. The DC plan offers all qualified employees, the employer, or both the opportunity to contribute into an employee's individual account on a regular basis. Retirement benefits are greatly impacted by the contributions into each participant's account, the amount of time available to compound investment returns, the return on investment, and the expenses associated with the assets held in each participant's account.

B3 - Defined Benefit Plans - Pension, Cash Balance, etc.

Description: A Defined Benefits plan (DB) is a retirement plan which is commonly referred to a “Pension” plan. These plans are structured to deliver a specified monthly benefit at targeted retirement age based on a formula. This formula usually includes an employee’s age, years of services and average annual compensation. The benefit(s) promised by a DB plan can either be a lump sum or a monthly payout (similar to social security payments). This payout can be paid over a selected period of time, including one’s life expectancy.

C. RETIREMENT PLAN ANALYSIS, DESIGN (Initial or Existing) and INVESTMENT POLICY STATEMENT

There are many design choices when it comes Employer Sponsored Retirement Plans (ESRP). Each ESRP is designed to meet certain **PLAN SPONSOR** objectives. Some ESRP will meet **PLAN SPONSOR** objectives better than others. The following service plans are available to assist **PLAN SPONSORS** seeking a fresh perspective on a new or existing ESRP to evaluate the options available to them. Any service described below in “Section B” that has not been accepted by a **PLAN SPONSOR** and is later requested, the **PLAN SPONSOR** will be charged for services based on the prevailing hourly rates and subject to any minimum fee.

C1 - Retirement Plan Analysis

Retirement Plan Analysis (RPA): A plan analysis consists of inventorying and analyzing the existing plan(s) to identify fiduciary liability for **PLAN SPONSORS**, potential exposures in plan design and recommendations for revisions. The RPA includes (if applicable) a compliance review of existing plan documents, plan investment policy statement review, the evaluation of **PLAN SPONSOR**’s processes to determine exposures toward meeting current trustees’ fiduciary responsibilities, a participant census analysis, a retirement plan cost analysis, an investment menu analysis and the evaluation of current services from all current service providers. **ADVISOR** will identify plan exposures and provide necessary recommendations.

C2 - Retirement Plan Design/Redesign

Retirement Plan Design (RPD): RPD is the process of designing an appropriate plan to meet the needs of the **PLAN SPONSORS**. In order for **ADVISOR** to determine future plan objectives, **ADVISOR** will complete an Employer Provided Retirement Plan Questionnaire (RPQ). This document will identify **PLAN SPONSOR**’s historical experiences (if any) and clarify **PLAN SPONSORS** retirement plan’s long-term goals/needs. Upon completion of the questionnaire, **ADVISOR** will design and propose an appropriate plan. The RPD will include (if applicable): the appropriate type of plan, the evaluation of tax benefits, balancing the retirement needs of plan participants with the compensation goals of **PLAN SPONSORS**, pros and cons of potential service providers and platform available to be used, service processes required by **PLAN SPONSORS** to meet compliance requirements, appropriate investment funding options and/or a generic investment line-up menu.

***Note:** Specific investment product recommendation and on-going investment monitoring are **not** provided as part of this service. **PLAN SPONSOR**’s who desire specific recommendations will need to engage services found in “Service E”.*

C3 - Investment Policy Statement

Investment Policy Statement (IPS): The IPS document is drafted between **ADVISOR** and the **PLAN SPONSOR** which outlines general investment rules and principles for the retirement plan’s operation. The IPS can be one of the most important steps a Qualified Retirement Plan (QRP) fiduciary can take to protect themselves from personal liability. The Employee Retirement Income Security Act of 1974 (ERISA), as amended, mandates that plan fiduciaries always act in the best interest of participants. This means that all decisions must be made considering participant interest. QRP processes and procedures must be established and followed by **PLAN SPONSORS** showing how the QRP is monitored and evaluated for the benefit of plan participants. CEOs and CFOs, boards of directors, plan administrators, members of QRP committees, services providers, and human resources personnel, among others can all be considered fiduciaries under ERISA. Fiduciary breach claims can cast a wide net, snaring many **PLAN SPONSORS** and their key personal for failure to meet fiduciary responsibilities. Since ERISA allows plan fiduciaries to be held personally responsible for losses resulting from a breach of fiduciary duty. While an IPS is not required under ERISA, it is in the best interest of plan fiduciaries to create a written IPS.

The IPS document drafted between **ADVISOR** and **PLAN SPONSOR** outlines general investment rules and principles for the retirement plan’s operation. The careful maintenance and ongoing review of the investment policy statement through regularly scheduled review meetings can help chart your plan’s long-term course towards prudent fiduciary investment decisions. The IPS should be updated on a regular basis. Specific information on matters such as investment selection, performance metrics, volatility factors, asset replacement standards, etc. should be discussed, analyzed and updated when plan size or objectives change over time.

D. ANCILLARY INVESTMENT SERVICES

A **PLAN SPONSOR** has a duty to diversify the investments of the plan to minimize the risk of large losses. This means that the selection of investments must be ample as to allow plan participants to be able to diversify their account holdings. **ADVISOR** will work with **PLAN SPONSOR** to determine the appropriate investment platform (individual brokerage, virtual, or single combined account). **ADVISOR** will provide **PLAN SPONSOR** with an appropriate recommended investment menu to meet **PLAN SPONSORS** goals. **PLAN SPONSOR** will be required to approve recommended investment menu including if chosen model and/or a custom designed portfolio and the appropriate quantity of investments to properly diversify the investment portfolio/account(s).

D1 - Custom Investment Menu Line-up - Included with all Employer Sponsored Retirement Plans

Custom Investment Menu Line-Up: The selection of appropriate investments for a retirement plan and its participants is a critical responsibility of **PLAN SPONSOR**. Determining the appropriate investment menu will include: the type of investment holdings (mutual funds, exchange traded funds, individual securities, model portfolios, etc.), setting the initial investment menu and evaluating the cost associated with each individual investment.

D2 - Retirement Plan - Model Portfolios

Model Portfolios: Model portfolios are pre-designed to meet a targeted rate of return and/or risk tolerance. These portfolios are recommended for plans whose employees either lack investment knowledge, experience, or the time necessary to properly select and monitor their investments. Model portfolios are most beneficial to help reduce the mistakes (chasing hot investments, too aggressive/conservative, over/under diversified, panic selling, investing only in cash, etc.) commonly made by novice investors.

D3 - Retirement Plan - Custom Designed Portfolios

Custom Portfolios: Custom portfolios are designed from scratch to meet a targeted rate of return and/or risk tolerance. They can be used by either the overall plan or by a single participant. Customized portfolios are created for those plans or participants who value individually selected investments. Customized portfolios are best suited for accounts that are singularly managed or with large balances.

Note: *When customized portfolios are selected the creation of an IPS is required.*

E. RETIREMENT PLAN SUPPORT and MAINTENANCE

The key to maintaining a properly designed and cost effective retirement plan is a properly documented maintenance program. Maintenance programs are designed to help provide each PLAN SPONSOR with the amount of service required to meet the appropriate size of the plan, the needs of the participants and the fiduciary responsibility of the PLAN SPONSOR.

E1 - Supplemental Retirement Plan Trustee Review Meeting

Fiduciary Responsibility: A legal duty to act solely in another party's best interests. Retirement plan trustees are considered fiduciaries and have a legal obligation to act for the benefit of plan participants. Plan participants are considered by the DOL and IRS to have placed the utmost trust and confidence in plan trustees to properly manage and protect their money. A plan trustee has a duty to manage the plan "in accordance with the plan documents" and must be able to demonstrate they are fulfilling these responsibility and duties.

Duty of Prudence: ERISA (the IRS regulations relating to retirement plans) requires for all PLAN SPONSORS to act "with the care, skill and prudence". This means that the plan trustees are considered to be an "**EXPERT**" when making decisions about the plan even if ill-suited to do so. Ignorance is not a viable excuse for a fiduciary. If a fiduciary lacks the necessary time, skill and knowledge, they have the right (as well as the duty) to hire prudent experts who can help meet their responsibilities.

Meeting Your Fiduciary Standard: As PLAN SPONSOR you must follow a proactive approach of monitoring and reviewing the key financial metrics associated with the plan such as employee participation, plan cost, service provider, and plan design. Regularly scheduled trustee meetings are central to a proactive approach and are necessary for those plan trustees and PLAN SPONSORS who desire to properly maintain a retirement plan.

Trustee/ADVISOR Plan Review Meeting(s): These meetings are essential in providing plan trustees with current plan data. The objective of trustee meeting is to review all retirement plan reports and discuss key plan benchmarking factors such as employee participation ratios, plan objectives, plan performance, plan cost and future changes required to keep the plan within compliance standards of Internal Revenue Service (IRS) and Department of Labor (DOL). A typical trustee meeting may include but are not limited to the following:

- **Cost Containment Analysis:** PLAN SPONSORS are required to regularly review plan expenses to verify that the Plan costs are "reasonable" for services received. Plan costs fall into two expense categories "Investments" and "Support Services".
Investment Cost Containment: is the review of the plans investment line up to verify annual costs as defined by IRS code 408B(2) are in-line with industry standards. They included but are not limited to:

-Trade Fee (if any)	-Asset Replacement Fees
-Investment Expense Ratios	-Misc. Fees: Finders, 12b-1, SSF, Sub-TA

Support Services: include reviewing annual cost associated with but are not limited to:

-Custodial Services	-Investment Advisory Fee
-Third Party Administration Services	-Record Keeping Services

When applicable ADVISOR will prepare an employer sponsored retirement plan report for PLAN SPONSORS to monitor the below key financial metrics associated with the Plan. Employer sponsored retirement plan reports are created on a "**Calendar Quarterly**" basis for those retirement plans which warrant a report.

- **Retirement Plan Reports included in service (Subject to change):**

Review of Fiduciary Responsibilities

Review of Plan Financials

- Review of Plan Costs
- 408B (2)
- Revenue Sharing (Sub-TA, 12b-1, SSF, Finders Fees)

Participant Evaluation

- Active Employee Status
- Account Holder Status
- Eligible Non-Enrolled or Non-contributing
- Key Employee Ratios

Employees

- Former Employees with Remaining Plan Balances
- Review of New Hire Enrollment Dates
- Asset Transfers Out of Plan
- Investment Holdings Cost Analysis
- Invoice and Report Fee Calculation

Portfolio Values and Performance Returns

- Internal rate of Return - Quarter, 1 Year, 3 Year, and Inception

Portfolio Activity

- Investment transactions during report Period

Investment Performance

- Underperforming Assets
- Asset Replacement triggers
- Asset Allocation Report

Portfolio Recommended Changes

- Asset Replacement Recommendations

Model Portfolio Review (if applicable)

- Performance
- Risk
- Portfolio Recommended Changes

- **Investment Policy Statement Review:** The careful maintenance and ongoing review of the IPS through a Trustee review meeting can help chart your plan's long-term course towards prudent fiduciary investment decisions. The IPS should be updated on a regular basis. Specific information on matters such as investment selection, performance metrics, volatility factors, asset replacement standards, etc. should be discussed, analyzed when your plan size or objectives change over time.
- **Trustee/ADVISOR Plan Review Meeting Frequency:**

Trustee Meetings are provided to **PLAN SPONSORS** based on plan size parameters at the discretion of **ADVISOR**. Plan size parameters used by **ADVISOR** include but are not limited to plan assets, plan complexity and number of plan participants. Any supplemental meeting not covered by your base service plan will be subject to the Supplemental Meeting Minimum Fees as shown in "Schedule A - Fee Schedule". As the number of plan participants and plan assets grow, it is recommended that the frequency of "Trustee/ADVISOR Plan Review Meetings" increase.

Review Meeting Frequency Schedule:

- Quarterly (4), Three-Annual (3), Semi-Annual (2) or Annual (1) - *Default equals annually if none selected.*

Plans Assets under \$500,000: Are eligible to receive an investment report annually of assets for cost and performance limited to: *Investment Holdings Cost Analysis, Investment Performance and Portfolio Recommended Changes.*

- **Plans with assets over \$500,000:** Are eligible to receive an annual review of all *Retirement Plan Reports*.
- **Plans with assets over \$1,000,000:** Are eligible to receive a semi-annual review of all *Retirement Plan Reports*.
- **Plans with assets over \$2,500,000:** Are eligible to receive three reviews annually of all *Retirement Plan Reports*.
- **Plans with assets over \$5,000,000:** Are eligible to receive a quarterly review of all *Retirement Plan Reports*.
- **Trustee/ADVISOR Plan Review Meeting(s) Appointment Frequency Selection:** Choose the trustee meeting schedule desired.

E2 - Participant Services

Saving for retirement is one of the most challenging goals most employees face to accomplish on their own. Helping plan participants meet their retirement goal of accumulating retirement assets sufficient enough to support themselves throughout retirement requires effective communication. No matter how well designed a retirement plan may be, it will fail to serve plan participants if the plan features and benefits are not communicated effectively. Participant Services are the best way to improve employee participation, morale and to help recruit and retain employees. Participant Services are offered upon an employer request and at Advisor's discretion once the plan assets have reached the below indicated amounts. As Plan assets grow, the level of Participant Services increases.

<u>Participant Services*</u>	<u>Plans under \$500,000</u>	<u>Plans over \$500,000:</u>	<u>Plans over \$1,000,000:</u>	<u>Plans over \$2,500,000:</u>
<i>In-Service Distributions – (Hardship withdrawals, RMD, disability, etc.)</i>	<i>Advisor Discretion</i>	√	√	√
<i>Qualified Domestic Relation Orders (QDRO)</i>	<i>Advisor Discretion</i>	√	√	√
<i>Employee Account Termination/Distribution Services</i>	<i>Advisor Discretion</i>	√	√	√
<i>Plan Loans (if applicable)</i>	<i>Advisor Discretion</i>	√	√	√
<i>Employee Survey for employee feedback and level of understanding</i>	<i>Advisor Discretion</i>	<i>Advisor Discretion</i>	√	√
<i>Employee Investment Selection Review</i>	<i>Advisor Discretion</i>	<i>Advisor Discretion</i>	√	√
<i>Employee/Plan Participant Educational meetings, workshops or seminars</i>	<i>Advisor Discretion</i>	<i>Advisor Discretion</i>	<i>Advisor Discretion</i>	√

*Participant Services indicated with a check mark √ in the chart are included in your AUM fee.

Plans with assets below the minimum levels indicated above, may chose Participant Services they feel will benefit their participants. Fees for desired services are based on ADVISOR and/or ADVISOR's staff members prevailing hourly rate, indicated in Schedule A.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services: To the extent requested by the CLIENT, VFA *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither VFA, nor any of its representatives, serves as an attorney or accountant, and no portion of VFA's services should be construed as same. To the extent requested by a CLIENT, VFA may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of VFA in their separate licensed capacities as discussed below. The CLIENT is under no obligation to engage the services of any such recommended professional. The CLIENT retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the VFA. Please Note: If the CLIENT engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the CLIENT agrees to seek recourse exclusively from and against the engaged professional. Please Also Note: It remains the CLIENT's responsibility to promptly notify VFA if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising VFA's previous recommendations and/or services.

Please Also Note: Valuation: In the event VFA references private investment funds owned by the CLIENT on any supplemental account reports prepared by the VFA, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s), (to the extent ascertainable), could be significantly more or less than the original purchase price.

- A) **Trade Approval:** ADVISOR is not authorized to affect transactions for the Account without prior authorization from the CLIENT. The CLIENT does authorize ADVISOR, without granting discretionary authority to ADVISOR, to take maintenance actions without requiring prior consultation with the CLIENT. The following maintenance actions include but are not limited to:
- **Stop/Limit Orders Quarterly Adjustments:** For CLIENTS that own individual stocks and/or ETFs and have elected the use of “Stop Losses”, ADVISOR will maintain a target ratio as a percentage of the market value (e.g., 85%). The target ratio will not be adjusted more often than quarterly.
 - **CLIENT Distributions/Contributions into or from Investment Accounts:** For Accounts with distribution/contribution plans to adjust existing instructions on file with custodian to meet any necessary adjustment. (11)
 - **Tax Harvesting of Losses/Gains:** The action of locking in capital losses/gains on any asset that meets a CLIENT’s tax harvesting target. Once a gain/loss has been realized the proceeds will either be deposited in cash or invested in ADVISOR’s ETF benchmark investment alternative for the investment sold. (2)
 - **Wash Sale Avoidance and 31-Day Trade Reversal:** Unless otherwise agreed upon between ADVISOR and CLIENT at the time that a qualified trade has occurred, the proceeds from the sale of any subsequent investment will be used to reverse the original trade and buy-back the original investment (if available). This buy-back trade will occur following a 31-day waiting period. The 31-day waiting period is required in order to comply with IRS regulations on wash-sale rules. The reversal of qualified trade will occur following any asset that has been previously sold with the objective of avoiding a capital gain or to lock in a capital loss. (8)
 - **Switch Mutual Funds to Lower Costing Share Classes:** To switch the shares of the same mutual fund from an existing high-cost share class into a lower cost share class alternative, if allowed by the mutual fund distributor/custodian. (9)
 - **CLIENT Requests for Funds from Portfolio:** Request for proceeds (e.g., loans, purchase new car, gift, college cost, down payment, etc.) authorizes ADVISOR to liquidate any position(s), from any account(s), necessary to raise such funds. (12)
 - **Negative Cash Balance Account Avoidance:** ADVISOR is authorized to liquidate any asset, in any account, which has or will have, a negative Account balance resulting from a debit transaction (e.g., monthly distribution, advisory fee, insurance premium, request for funds, etc.). (13)
 - **Portfolio Rebalancing:** To rebalance portfolio consistent with existing (or previously owned) security positions to maintain the agreed upon asset allocation. (14)
 - **Investment of CLIENT Contributions to Portfolio:** When proceeds are contributed to the portfolio ADVISOR is allowed to add proceeds to existing investment to rebalance portfolio. (15)
 - **Deceased CLIENT Actions:** To liquidate assets upon client passing away, update cost basis, terminate distributions, etc. (16)
 - **Option Contracts Upkeep:** ADVISOR is authorized to: (1) close out any option contract strategy, prior to the expiration date, (2) to roll forward and reset an existing Option strategy on a preexisting security positions necessary to meet target asset allocation within 45 days of expiration, (3) to avoid the option contract from falling into a negative value position beyond an amount predetermined by client as result of a market movement (4) ADVISOR can lock in a profit/loss to avoid an assignment or reset any existing option contract. (17)
 - **Mutual Funds Management Style Substitution:** Stock mutual fund management styles generally fall into one of three common strategies Blend (aka Core), Growth or Value. A Blend (or Core) management style is a common substitute to a proportional mix (50/50) of assets invested between growth and value mutual funds of the same asset class. ADVISOR is authorized when deemed beneficial to the CLIENT to use either investments in blend mutual funds as a substitute for a 50% value and 50% growth mutual fund allocation or vice-a-versa. (18)
 - **Adjustments to Required Minimum Distributions (RMDs):** To sell necessary asset(s) to raise cash to meet Required Minimum Distribution. (19)
 - **Mutual Funds Tax Avoidance Strategies:** When ADVISOR discovers that a CLIENT owns an after-tax mutual fund which if held, is projected to payout a larger capital gain (or dividend) distribution than the current unrealized gain if sold, ADVISOR may sell mutual fund prior to the distribution date that would realize the large taxable distribution for the CLIENT. (21)
 - **Roth Conversions:** A Roth conversion occurs when money is moved from a tax deferred account to a Roth (tax-free) account. The movement of money is a taxable event. When a CLIENT desires to complete a Roth conversion, ADVISOR may select the asset(s) necessary to sell or transfer to complete the desired conversion. (22)
 - **Switch an Asset to a different Registration within the Portfolio:** When moving an asset to a different registration is deemed to be beneficial to CLIENT by ADVISOR, advisor may sell such asset and repurchase it in another registration. This may occur when money is moved from a tax deferred account to a taxable account (or vis-a-versa) or from one owner to the other. (For example: Selling ABC in account #1 and buying XYZ in account #1, then selling XYZ in account #2 and repurchase ABC in account #2.) This is called a “double switch”. The movement of money may be a taxable event. ADVISOR may select the asset(s) necessary to switch. (23)

When multiple CLIENTs engage ADVISOR as a “couple”, they do so with the intent of doing so in the best interest of both parties. CLIENT’s who are a couple authorize ADVISOR to accept investment instructions from one of the multiple parties regardless of registration of investment accounts.

Please Note: Inverse/Enhanced Market Strategies. VFA may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose

of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a CLIENT may direct the VFA, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Please Note: Non-Discretionary Service Limitations. CLIENT's that determine to engage VFA on a non-discretionary investment advisory basis must be willing to accept that VFA cannot affect any account transactions without obtaining prior verbal consent to any such transaction(s) from the CLIENT. Thus, in the event of a market correction during which the CLIENT is unavailable, VFA will be unable to affect any account transactions (as it would for its discretionary CLIENT's) without first obtaining the CLIENT's verbal consent.

Trade Error Policy: It is VFA's policy that trade errors be resolved in the CLIENT's favor. CLIENT accounts that experience a loss resulting from VFA's trade errors shall be reimbursed. CLIENT accounts that experience a gain resulting from VFA's trade errors shall not experience the benefit of those gains; rather, any such gains will be donated to the charity of VFA's choice. No CLIENT will bear the cost of the trade error, and the firm may not permit one CLIENT's account to be used to correct an error made on behalf of another CLIENT.

Any VFA representative who identifies a potential trade error shall immediately report such potential trade error to the Chief Compliance Officer. The CCO shall be responsible for promptly investigating the alleged error, and, if the CCO determines that an actual trade error occurred, for correcting the actual trade error. The CCO may determine to inform VFA's errors and omissions carrier of the trade error and any claims arising out of the trade error.

The Chief Compliance Officer shall maintain all relevant information about the trade error, including information about the discovery, cause, and resolution thereof."

CLIENT Obligations: In performing its services, VFA shall not be required to verify any information received from the CLIENT or from the CLIENT's other professionals and is expressly authorized to rely thereon. Moreover, each CLIENT is advised that it remains his/her/its responsibility to promptly notify VFA if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising VFA's previous recommendations and/or services.

Disclosure Statement: A copy of this written Brochure is provided to each CLIENT prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*, and thereafter on an annual basis within 120 days after then of VFA's fiscal year. Any CLIENT who has not received a copy of VFA's written Brochure at least 48 hours prior to executing the *Investment Advisory Agreement or Financial Planning and Consulting Agreement* shall have five business days subsequent to executing the agreement to terminate the VFA's services without penalty.

VFA shall provide investment advisory services specific to the needs of each CLIENT. Prior to providing investment advisory services, an investment adviser representative will ascertain each CLIENT's investment objective(s). Thereafter, VFA shall allocate and/or recommend that the CLIENT allocate investment assets consistent with the designated investment objective(s). The CLIENT may, at any time, impose reasonable restrictions, in writing, on the VFA's services.

1. VFA does not participate in a wrap fee program.

As of **December 31, 2024**, VFA had **\$370,469,636**.

Item 5 - Fees and Compensation

CLIENT can determine to engage VFA to provide non-discretionary investment advisory services on a *fee* basis.

FINANCIAL PLANNING AND CONSULTING SERVICES

To the extent specifically requested by a CLIENT, VFA *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. VFA's planning and consulting fees are as follows:

PERSONAL FINANCIAL INVENTORY AND HOURLY AGREEMENT

The current charges and payment terms for the Personal Financial Inventory and Initial Financial Planning Consultation services designated in this agreement by the CLIENT is set forth below. CLIENT may select to pay PLANNER selecting one (or more) of the service plans below. If a service plan is not selected, this agreement will automatically default to an hourly rate agreement, subject to minimum fees, for services rendered under this agreement. PLANNER charges a different fee structure for each financial PLANNER level as set forth below.

A. PERSONAL FINANCIAL INVENTORY

The CLIENT agrees to pay PLANNER the below checked flat fee to prepare a Personal Financial Inventory. An initial payment of fifty percent of the applicable inventory fee is due upon engagement with the balance due at the time the Personal Financial Inventory is presented.

<u>Advisory Staff</u>	<u>Flat Fee *</u>	<u>Advisory Staff</u>	<u>Flat Fee *</u>
Personal Financial Counselor	\$3,400	Personal Financial Advisor	\$4,225
Senior Financial Advisor	\$5,500	Managing Advisor	\$7,100

Note: **Flat fee is not to exceed 25 hours of PLANNER's time. If additional hours are required, PLANNER reserve the right to charge CLIENT the PLANNER's prevailing hourly rates.*

B. FINANCIAL PLANNING SERVICES

HOURLY CONSULTATION - *Default service option if no other service is selected.*

Hourly services will be the default payment method for any service not covered under another service plan. CLIENT shall pay PLANNER an hourly rate for services rendered beyond any selected service plan or if a service request is for an ancillary service.

The below indicates the hourly fee level of all staff members. Should an advisor other than the primary advisor be required or consulted their fee level will apply. PLANNER reserves the right to request a retainer in advance of any hourly work.

<u>Advisory Staff</u>	<u>Fee</u>	<u>Admin/Support Staff</u>	<u>Fee</u>
Personal Financial Counselor	\$270	Administration	\$150
Personal Financial Advisor	\$320	Accounting	\$175
Senior Financial Advisor	\$380	Technicians	\$205
Managing Advisor	\$455		

FINANCIAL PLANNING AND CONSULTING AGREEMENT

Compensation: You may select to pay PLANNER either an hourly rate or select one of the below service plans for services rendered under this agreement. There are five factors that determine the cost of a service plan. These factors include advisor experience, client taxable income, net worth, applicable minimum fee, amount of time required to service client's needs. CLIENT fee is the greater of a flat minimum fee, a percentage of net worth (as determined by Personal Financial Inventory or other means necessary) or a percentage of total taxable income (as defined by their most recent tax return). PLANNER reserves the right to adjust any fee upon notice on below schedule should a client's situation require more resources than is typical.

SERVICE PLANS FEE SCHEDULES:

A. HOURLY CONSULTATION - *Default service if no other service is selected.*

Hourly Rates: CLIENT may elect to pay PLANNER for services on an hourly basis for services rendered subject to PLANNER'S minimum hourly rate. PLANNER charges a different hourly rate for each financial advisor level. If no service plan(s) have been accepted below the default service plan for CLIENT shall be provided on an hourly basis.

<u>Advisory Staff</u>	<u>Fee</u>	<u>Admin/Support Staff</u>	<u>Fee</u>
Personal Financial Counselor	\$270	Administration	\$150
Personal Financial Advisor	\$320	Accounting	\$175
Senior Financial Advisor	\$380	Technicians	\$205
Managing Advisor	\$455		

*Note: Each request for a financial analysis on an hourly service plan will be subject to a **3-hour minimum** of billable time at the primary advisor's hourly rate.*

B. SERVICE PLAN FEES

Service plan fees consider a minimum fee, the service level of the primary planner, a client's desired appointment frequency, gross income and net worth. The larger a client's income and net worth the more complicated and complex the financial planning and the more resources a client will utilize. Typical client appointments average 4-hours of PLANNER's time (including but not limited to preparation, presentation and follow-up, 1-hour of administrative time and 1-hour of technician time. **PLANNER** makes use of a service plan fee calculation which is based on a minimum fee, a client's net worth or their gross income.

B1 - ELEVEN APPOINTMENT BUNDLE

PLANNER charges a different fee structure for each financial advisor level as set forth below. See following for appropriate minimum fee.

Personal Financial Counselor:

The monthly fee is the greater of: (1) a minimum flat fee of \$540, (2) .001458 multiplied by annual gross income, or (3) .000167 multiplied by current net worth. The gross income and net worth alternative calculation generally apply to clients whose base gross income is in excess of \$350,000 or net worth is in excess of \$2,900,000.

Personal Financial Advisor:

The monthly fee is the greater of: (1) a minimum flat fee of \$770, (2) .001667 multiplied by annual gross income, or .000208 multiplied by current net worth. The gross income and net worth alternative calculation only apply to clients whose base gross income is in excess of \$350,000 or Net Worth is in excess of \$2,650,000.

Senior Financial Advisor:

The monthly fee is the greater of: (1) a minimum flat fee of \$925, (2) .001875 multiplied by annual gross income, or .000250 multiplied by current net worth. The gross income and net worth alternative calculation only apply to clients whose base gross income is in excess of \$350,000 or Net Worth is in excess of \$2,650,000.

Managing Advisor:

The monthly fee is the greater of: (1) a minimum flat fee of \$1,130, (2) .002083 multiplied by annual gross income, or .000292 multiplied by current net worth. The gross income and net worth alternative calculation only apply to clients whose base gross income is in excess of \$375,000 or Net Worth is in excess of \$2,650,000.

B2 - SIX APPOINTMENT BUNDLE

The financial advisor level as set forth below determines the fee.

<u>Advisory Staff</u>	<u>Mo. Fee</u>	<u>Advisory Staff</u>	<u>Mo. Fee</u>
Personal Financial Counselor	\$425	Personal Financial Advisor	\$550
Senior Financial Advisor	\$650	Managing Advisor	\$770

B3 - FOUR APPOINTMENT BUNDLE

The financial advisor level as set forth below determines the fee.

<u>Advisory Staff</u>	<u>Mo. Fee</u>	<u>Advisory Staff</u>	<u>Mo. Fee</u>
Personal Financial Counselor	\$310	Personal Financial Advisor	\$410
Senior Financial Advisor	\$490	Managing Advisor	\$580

B4 - TWO APPOINTMENT BUNDLE

The financial advisor level as set forth below determines the fee. The below fees are provided at a 25% discount off of our prevailing hourly rates and are based on the average amount of advisor time including time to prep and follow-up following a meeting and time spent by VFA's support staff for a typical client appointment.

<u>Advisory Staff</u>	<u>Mo. Fee</u>	<u>Advisory Staff</u>	<u>Mo. Fee</u>
Personal Financial Counselor	\$200	Personal Financial Advisor	\$235
Senior Financial Advisor	\$280	Managing Advisor	\$335

B5 - ANNUAL APPOINTMENT BUNDLE

The financial advisor level as set forth below determines the fee.

<u>Advisory Staff</u>	<u>Mo. Fee</u>	<u>Advisory Staff</u>	<u>Mo. Fee</u>
Personal Financial Counselor	\$120	Personal Financial Advisor	\$140
Senior Financial Advisor	\$165	Managing Advisor	\$195

B6 - ADDITIONAL SCHEDULED APPOINTMENT SERVICE PLAN

Additional appointments added to any new program or reset of annual service plan will be charged the appropriate financial advisor level as set forth below. If additional meetings are requested during a service plan year or if a matter is not an included service as outlined in this agreement, CLIENT will be charged at the Advisor's prevailing hourly rates in effect at the time that service is provided.

Personal Financial Counselor	\$120	per month / per additional appointment
Personal Financial Advisor	\$140	per month / per additional appointment
Senior Financial Advisor	\$165	per month / per additional appointment
Managing Advisor	\$195	per month / per additional appointment

INVESTMENT ADVISORY SERVICES

INVESTMENT ADVISORY AGREEMENT

If a CLIENT determines to engage VFA to provide non-discretionary investment advisory services on a fee basis, the VFA's annual investment advisory fee shall be as follows:

The current charges and payment terms for the Investment Advisory Services designated in this agreement by the CLIENT are set forth below. CLIENT may choose to pay ADVISOR by selecting one (or more) of the service plans below. If a service is requested that does not fall within the scope of one of the below service plans, the CLIENT will be billed for services rendered on an hourly basis subject to the minimum fee found below or in any other appropriate agreement offered by ADVISOR. ADVISOR charges a different fee structure for each financial ADVISOR level as set forth below.

ADVISOR fee structure is designed to allow the CLIENT to choose the service that best fits their needs.

SET-UP FEE'S:

Set Up Fees: Upon CLIENT engagement for a selected investment service, CLIENT shall be immediately invoiced for 30 days of services to cover initial set up costs. Those costs found below, which are incurred within the first 90 days of engagement, required by ADVISOR, (such as opening new accounts, transfer investment assets, setting up beneficiary designation, establishing bank drafts and deposits, risk assessments, investment analysis and investment policy statement, etc.) are waived. Services selected by CLIENT below in Part C are only applicable after the initial 90-day engagement period. CLIENT acknowledges that ADVISOR has the right to charge a twenty percent (20%) premium charge to prevailing rates for any Account/Asset that requires ADVISOR to manually input data for reporting purposes. **NOTE:** Set up fees are subject to ADVISOR's below minimum fee.

A. INVESTMENT ADVISORY SERVICES

A1 - Target Investment Portfolio - Tier One - Gold Plan Investment Services

“Target Investment Portfolio” Monthly Minimum Fee and Suggested Minimum Portfolio Size:

<u>Advising Staff</u>	<u>Individual Monthly Fee</u>	<u>Min. Portfolio Size*</u>
Personal Financial Counselor	\$165	\$198,000
Personal Financial Advisor	\$285	\$342,000
Senior Financial Advisor	\$385	\$462,000
Managing Advisor	\$515	\$618,000

**Portfolio size above indicates the amount of portfolio value necessary to avoid paying minimum monthly fee.*

“Target Investment Portfolio” Annualized Fee as a Percentage of Assets
1.00 %

A2 - Custom Portfolio - Tier Two - Platinum Plan Investment Services

Investment Portfolio and Monitoring Services (IPRAMS) Frequency

The following annualized fee schedule is subject to the below “IPRAMS” Monthly Minimum Fee and Suggested Minimum Portfolio Size:

<u>Advising Staff</u>	<u>Monthly Minimum Fee</u>			<u>Suggested Minimum Portfolio Size</u>		
	<u>Quarterly</u>	<u>Semi-Annual</u>	<u>Annual</u>	<u>Quarterly</u>	<u>Semi-Annual</u>	<u>Annual</u>
Personal Financial Counselor	\$1,082	\$850	\$695	\$865,000	\$755,556	\$695,000
Personal Financial Advisor	\$1,285	\$1,030	\$850	\$1,028,000	\$915,556	\$850,000
Senior Financial Advisor	\$1,520	\$1,235	\$1,030	\$1,216,000	\$1,097,778	\$1,030,000
Managing Advisor	\$1,800	\$1,500	\$1,235	\$1,440,000	\$1,333,333	\$1,235,000

The following fee schedule is an annualized fee as a percentage of assets under management and is intended to cover the selected IPRAMS frequency listed above:

<u>Market Value of Assets on “IPRAMS”</u>	<u>Quarterly</u>	<u>Semi-Annual</u>	<u>Annual</u>
First \$1,000,000	1.50 %	1.35 %	1.20 %
Next \$1,000,000	1.31 %	1.19 %	1.05 %
Next \$1,000,000	1.13 %	1.01 %	0.90 %
Next \$2,000,000	0.94 %	0.84 %	0.75 %
Over \$5,000,001	0.75 %	0.68 %	0.60 %

B. HOURLY CONSULTATION and OPTIONS

Hourly Consultation services and Option fees are applicable to all CLIENTS when and if deemed necessary for ADVISOR to perform the services selected by CLIENT.

B1 - HOURLY CONSULTATION (HRLY) *Hourly rate changes are expected to occur at the start of each calendar year.*

<u>Advising Staff</u>	<u>Fee</u>	<u>Admin/Support Staff</u>	<u>Fee</u>
Personal Financial Counselor	\$270	Administration	\$150
Personal Financial Advisor	\$320	Accounting	\$175
Senior Financial Advisor	\$380	Technicians	\$205
Managing Advisor	\$455		

B2 - OPTION STRATEGY

The transaction fee to establish any Option strategy shall be: The greater of 1 hour of an ADVISOR’s prevailing hourly rate indicated above or ½ of 1% (.005) of the notional value of the option contracts used to process any Option strategy.

C. Fees for New Account Openings, Risk Assessment(s), Investment Analysis(es) and Investment Policy Statement(s)

The services listed below are applicable after 90 days from date of initial engagement to all CLIENTS when and if deemed necessary for ADVISOR to perform the services selected by CLIENT. This typically applies to the opening of new accounts (C1) and subsequent updates of services C2, C3, C4.

C1 - NEW ACCOUNT FEES

Processing fee per new account opened: \$100

C2 - RISK ASSESSMENT

Risk Assessment - Per Assessment: \$100

C3 - INVESTMENT ANALYSIS

For those **CLIENTs** who have not had an investment analysis completed under a separate agreement, an investment analysis can be completed on an hourly basis under this Agreement. The investment analysis is subject to a **minimum of 8 hours** of the **CLIENT's** primary **ADVISOR's** hourly rate. All staff members' time will be added to the **ADVISOR's** billing.

“Investment Analysis” Minimum Fee required to be paid at time of engagement:

Personal Financial Counselor	\$1,700	Personal Financial Advisor	\$2,010
Senior Financial Advisor	\$2,370	Managing Advisor	\$2,785

C4 - CREATION of an INVESTMENT POLICY STATEMENT (IPS)

For those **CLIENTs** who have not had an Investment Policy Statement (IPS) created under a separate agreement, an Investment Policy Statement (IPS) can be completed on an hourly basis under this Agreement. The creation of an Investment Policy Statement (IPS) is subject to a **minimum of 12 hours** of the **CLIENT's** primary **ADVISOR's** hourly rate. All staff members' time will be added to the **ADVISOR's** billing.

“Creation of Investment Policy Statement” Minimum Fee required to be paid at time of engagement:

Personal Financial Counselor	\$2,758	Personal Financial Advisor	\$3,295
Senior Financial Advisor	\$3,915	Managing Advisor	\$4,635

INVESTMENT ADVISORY for Employer Sponsored Retirement Plans

The annual fee structure is designed to allow the client to pick and choose the service that best fits their needs.

A. HOURLY CONSULTATION and ANCILLARY FEES

Hourly Rates: All service agreements are subject to hourly fees for service requests that are not covered by Service Plans B, C, D, or E below. Advising Staff hourly rates are subject to change and are not guaranteed through the entire period of this Agreement. Preparation required for services requested by **PLAN SPONSOR** will also be billed at the prevailing hourly rates subject to minimum fees. **PLAN SPONSOR** service request carries a **minimum fee of one-half hour** which applies to all preparation done by **ADVISOR** and/or **ADVISOR's** staff member(s).

<u>Advisory Staff</u>	<u>Fee</u>	<u>Admin/Support Staff</u>	<u>Fee</u>
Personal Financial Counselor	\$270	Administration	\$150
Personal Financial Advisor	\$320	Accounting	\$175
Senior Financial Advisor	\$380	Technicians	\$205
Managing Advisor	\$455		

*Note: Hourly rate changes will commence upon receipt of written notification advising **PLAN SPONSOR** of the amount and date of said change. Hourly rate changes are expected to occur at the start of each new calendar year.*

Ancillary Fees (New Account Fee, Customization and Supplemental):

New Account Fee - All investment accounts established are subject to a “New Account Fee” per account opened. **\$100**

Customization - DC Plan Custom Investment Line-up (Per Plan Amendment) **\$1,200**

Supplemental - Retirement Plan Trustee Review Meeting Minimum Fees - *Includes meeting preparation, reports and staff time:*

<u>Advising Staff</u>	<u>Min. Fee*</u>	<u>Advising Staff</u>	<u>Min. Fee*</u>
Personal Financial Counselor	\$2,160	Senior Financial Advisor	\$2,560
Personal Financial Advisor	\$3,040	Managing Advisor	\$3,640

**Minimum fee is calculated by primary advisors prevailing hourly rate times eight hours. All staff member's time will be added to this total.*

B. RETIREMENT PLAN SELECTION

Retirement plan services change over time based on the plan assets size and the need for customization. The following services provide **PLAN SPONSORS** with the flexibility to receive a more complex or simpler service(s) as their retirement plan needs change over time.

The following fees are applicable to all retirement plans:

Per Participant Set-up Fee: As listed in Service A, this fee covers the cost for participant account holder's enrollment, establish accounts, payroll deduction, beneficiary designations and initial investment selection.

Monthly Fee for Assets Under Management (AUM): All retirement plan assets are subject to the larger of either “Fee Table A” or the “monthly minimum fee”.

Fee Table A		
Market Value of Assets in Retirement Plan “Defined Contribution Plans”	Retirement Plan “Defined Contribution Plans” Annualized Fee for AUM	Monthly Fee Amount
First \$1,000,000	1.000 %	\$833
Next \$1,000,000	0.875 %	\$1,563
Next \$1,000,000	0.750 %	\$2,188
Next \$2,000,000	0.625 %	\$3,125
Over \$5,000,001	0.500 %	

(Example Calculation: $\$1,000,000 \times 1\% = \$10,000 / 12 = \$833$ per month)

B1 - Initiator Program - Payroll Deducted IRA Program - Traditional/Roth/Simple/SEP IRA's

The “Initiator Program” Plan asset fees are subject to the larger of either “Fee Table A” or the “monthly minimum fee”.

The suggested minimum portfolio size and/or annual contributions is below. All “Initiator Programs” are subject to the below “Monthly Minimum Fee”. Plans with assets subject to the minimum fee will result in a higher AUM fee than is shown in Fee Table A.

<u>Advising Staff</u>	<u>Minimum Monthly Fee</u>	<u>Target Minimum Portfolio Size</u>	<u>Target* Annual Contributions</u>
Personal Financial Counselor	\$105	\$126,000	\$12,000
Personal Financial Advisor	\$130	\$156,000	\$24,000
Senior Financial Advisor	\$165	\$198,000	\$48,000
Managing Advisor	\$205	\$246,000	\$96,000

**Payroll deducted IRAs target contributions are a multiple of the IRS annual contribution limits and subject to change.*

B2 - Defined Contribution Plans - 401k, Profit Sharing, etc.

Employer New Plan document fee (These fees are exclusive of other provides such as TPA or record keeper fees):

<u>Defined Contribution Plan Type</u>	<u>Set-up Fee</u>
Solo 401k	\$565
Profit Sharing	\$825
Traditional 401k	\$1,130
Other: (403b/457/Thrift Savings, etc.)	\$1,650

Monthly Minimum Fee, Suggested Minimum Portfolio Size and Annual Contribution Rate:

<u>Advising Staff</u>	<u>Minimum Monthly Fee</u>	<u>Target Minimum Portfolio Size</u>	<u>Target Annual Contribution *</u>
Personal Financial Counselor	\$105	\$126,000	\$19,500
Personal Financial Advisor	\$130	\$156,000	\$39,000
Senior Financial Advisor	\$165	\$198,000	\$57,500
Managing Advisor	\$205	\$246,000	\$78,000

**Defined Contribution plans target contributions are a multiple of the IRS annual contribution limits and subject to change.*

B3 - Defined Benefit Plans - Pension, Cash Balance, etc.

Employer New Plan document fee (These fees are exclusive of other provides such as TPA or record keeper fees):

<u>Define Benefit Plan Types</u>	<u>Set-up Fee</u>
Cash Balance	\$1,800
Traditional Pension	\$1,800
Other:	Case By Case Basis

Monthly Minimum Fee, Suggested Minimum Portfolio Size and Annual Contribution Rate:

<u>Advising Staff</u>	<u>Minimum Monthly Fee</u>	<u>Target Minimum Portfolio Size</u>	<u>Target Contribution Rate</u>
Personal Financial Counselor	\$105	\$120,000	\$19,000
Personal Financial Advisor	\$135	\$150,000	\$38,000
Senior Financial Advisor	\$165	\$192,000	\$57,000
Managing Advisor	\$205	\$240,000	\$76,000

Note: Defined Benefit plan contributions are subject to the IRS annual contribution limits and subject to change.

C. **RETIREMENT PLAN ANALYSIS, DESIGN (Initial or Existing) and INVESTMENT POLICY STATEMENT**

The IRS and DOL regulations require plan trustees to review and update plan documents and execute plan trustee duties on a regular basis. Updating the Plan's initial or previous Analysis, Design and IPS policy statement are recommended to meet on-going fiduciary obligations.

Retirement Plans that have not had an investment analysis, or plan design evaluation completed previously under a separate agreement can be completed under this Agreement on an hourly basis, subject to the above minimum fee and prevailing hourly rates. All services for an investment analysis or plan design evaluation are not considered as part of services C through D.

C1 - Retirement Plan Inventory and Analysis

C2 - Retirement Plan Design/Redesign

C3 - Investment Policy Statement

Retirement Plan Analysis, Design / Redesign and IPS Review frequency is recommended minimally once every 3 years; if left blank, automatically defaults to once every 5 years.

Note: *If Review Frequency Schedule is left blank, automatically defaults to once every 5 years.*

Set-Up Fee for each of the above "C" Services - *Note: All Fees for "C" Services are required to be paid at time of engagement.*

Personal Financial Counselor	\$2,340	Personal Financial Advisor	\$2,775
Senior Financial Advisor	\$3,245	Managing Advisor	\$3,810

D. **ANCILLARY INVESTMENT SERVICES**

Ancillary Investment Services are in addition to the retirement plan fees found in "Fee Table A" listed in "Service C" above. Investment menu Design is provided at the Plan level, Whereby Retirement Plan Model Portfolios and Retirement Plan Custom Designed Portfolios are available at the either the plan or Participant level.

<u>Ancillary Investment Service</u>	<u>Fee</u>
Custom Investment Menu Line-up	Fee Table A
Retirement Plan - Model Portfolios	+25bpts
Retirement Plan - Custom Designed Portfolios	+50bpts

D1 - Custom Investment Menu Line-up - Included with all Employer Sponsored Retirement Plans

D2 - Retirement Plan - Model Portfolios

D3 - Retirement Plan - Custom Designed Portfolios

Note: *When customized portfolios are selected the creation of an IPS is required.*

E. **RETIREMENT PLAN SUPPORT and MAINTENANCE**

E1 - Supplemental Retirement Plan Trustee Review Meeting

Supplemental Appointment Frequency Selection: As the number of plan participants and plan assets grow, it is recommended that the frequency of "Trustee/ADVISOR Plan Review Meetings" increase. Choose the number of supplemental trustee meetings desired. Any supplemental meeting not covered by your base service plan will be subject to the above "Supplemental Meeting Minimum Fees".

Additional Trustee/ADVISOR Meetings Selected: Annual (1) Semi-Annual (2) Three-Annual (3) Quarterly (4)

Note: *Default equals annually if none selected*

E2 - Participant Services

Participant Services are the best way to improve employee participation, morale and to help recruit and retain employees. Participant Services are offered upon an employer request and at Advisor's discretion.

CLIENT's may elect to have VFA's advisory fees deducted from their custodial account. Both VFA's *Investment Advisory Agreement* and the custodial / clearing agreement may authorize the custodian to debit the account for the amount of VFA's investment advisory fee and to directly remit that management fee to VFA in compliance with regulatory procedures. In the limited event that VFA bills the CLIENT directly, payment is due upon receipt of VFA's invoice. VFA shall deduct fees and/or bill CLIENT's monthly in arrears, based upon the market value of the assets on the last business day of the previous month.

As discussed below, unless the CLIENT directs otherwise or an individual CLIENT's circumstances require, VFA shall generally recommend that *TD Ameritrade, Schwab*, or any other broker-dealers / custodians for CLIENT investment management assets. Broker-dealers / custodians such as *TD Ameritrade, Schwab*, or any other broker-dealers / custodians charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to VFA's investment management fee, brokerage commissions and/or transaction fees, CLIENT's will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

VFA's annual investment advisory fee shall be prorated and paid monthly, in arrears, based upon the market value of the assets on the last business day of the previous month. In addition, VFA generally requires a \$minimum monthly fee for investment advisory services. VFA, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum monthly fee requirement based upon certain

criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with CLIENT, etc.).

The *Investment Advisory Agreement* between VFA and the CLIENT will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, a pro-rated portion of the earned but unpaid advisory fee shall be due.

Compensation for the Sale of Insurance Products: As stated in the disclosure to Item 10 of this brochure, VFA and certain of its personnel also maintain insurance licenses that enable them to recommend the purchase of certain insurance products where it and/or they will receive a share of insurance revenue. This represents a conflict of interest and gives VFA and such VFA personnel an incentive to recommend the purchase of insurance products for a CLIENT account based on VFA and/or VFA's personnel's ability to receive compensation from such a purchase, rather than based on a CLIENT's need. However, we believe that we have addressed this conflict by (a) neither requiring nor expecting that a CLIENT will purchase any such insurance product from or through VFA or any VFA personnel, and (b) reminding CLIENT's that they may purchase such insurance products through other, non-affiliated insurance agents. In addition, VFA and such VFA personnel must maintain compliance with applicable rules and regulations that govern the sale of such products. CLIENT's have the option to purchase insurance products recommended by VFA or VFA personnel through other agents that are not affiliated with VFA. VFA's advisory fee is in addition to any compensation VFA and VFA personnel may receive as a result of such insurance-related services and VFA will not reduce its advisory fee to offset such compensation.

Item 6 - Performance-Based Fees and Side-by-Side Management

Neither VFA nor any supervised person of VFA accepts performance-based fees.

Item 7 - Types of CLIENTs

VFA's CLIENTs shall generally include individuals, pension and profit-sharing plans, business entities, trusts, estates and charitable organizations. VFA generally requires a **\$500** minimum monthly fee for investment advisory services. The VFA, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum monthly fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with CLIENT, etc.).

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

1. VFA may utilize the following methods of security analysis:
 - a. Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - b. Technical - (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
 - c. Cyclical - (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)
2. VFA may utilize the following investment strategies when implementing investment advice given to CLIENT's:
 - a. Long Term Purchases (securities held at least a year)
 - b. Short Term Purchases (securities sold within a year)
 - c. Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
 - d. Margin Transactions (use of borrowed assets to purchase financial instruments)
 - e. Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)
 - f. **Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by VFA) will be profitable or equal any specific performance level(s).
3. VFA's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis VFA must have access to current/new market information. VFA has no control over the dissemination rate of market information; therefore, unbeknownst to VFA, certain analyses may be compiled with outdated market information, severely limiting the value of VFA's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

VFA's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, VFA may also implement and/or recommend - short selling, use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk. (*See* discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets. Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. Please Note: To the extent that a CLIENT authorizes the use of margin, and margin is thereafter employed by VFA in the

management of the CLIENT's investment portfolio, the market value of the CLIENT's account and corresponding fee payable by the CLIENT to VFA may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, CLIENT's authorizing margin are advised of the potential *conflict of interest* whereby the CLIENT's decision to employ margin *may* correspondingly increase the management fee payable to the VFA. Accordingly, the decision as to whether to employ margin is left totally to the discretion of CLIENT.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by VFA shall be with the intent of offsetting/"hedging" a potential market risk in a CLIENT's portfolio. Please Note: Although the intent of the options-related transactions that may be implemented by VFA is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a CLIENT must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, CLIENT may direct the VFA, in writing, not to employ any or all such strategies for his/her/their/its accounts.

4. Currently, VFA recommends that CLIENT's allocate CLIENT investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds ("ETFs") (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary and non-discretionary basis in accordance with the CLIENT's designated investment objective(s).

As disclosed above, VFA may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a CLIENT may direct VFA, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Investing in securities involves a risk of loss that each investor must be prepared to bear.

Item 9 - Disciplinary Information

VFA has not been the subject of any disciplinary actions.

Item 10 - Other Financial Industry Activities and Affiliations

1. Neither VFA, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
2. Neither VFA, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading ADVISOR, or a representative of the foregoing.
3. **Licensed Insurance Agents.** VFA and certain of VFA's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 5.B above, CLIENT's can engage VFA and/or its representatives to purchase insurance products on a commission basis.
 - a. **Conflict of Interest:** The recommendation by VFA or its representatives that a CLIENT purchase an insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular CLIENT's need. During the last 10 years revenue generated by commissions earned on the sale of insurance products represent less than 2% of the firm's revenue. This reasonably indicates but does not guarantee that insurance sales are more of an accommodation than a primary focus of VFA. No CLIENT is under any obligation to purchase any commission products from VFA's representatives. CLIENT's are reminded that they may purchase insurance products recommended by VFA through other, non-affiliated insurance agents. VFA's Chief Compliance Officer, Mark S. La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above conflict of interest.
4. VFA does not receive, directly or indirectly, compensation from investment ADVISORS that it recommends or selects for its CLIENT's.

Item 11 - Code of Ethics, Participation or Interest in CLIENT Transactions and Personal Trading

1. VFA maintains an investment policy relative to personal securities transactions. This investment policy is part of VFA's overall Code of Ethics, which serves to establish a standard of business conduct for all of VFA's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, VFA also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by VFA or any person associated with the VFA.

2. Neither VFA nor any related person of VFA recommends, buys, or sells for CLIENT accounts, securities in which VFA or any related person of VFA has a material financial interest.
3. VFA and/or representatives of VFA *may* buy or sell securities that are also recommended to CLIENT's. This practice may create a situation where VFA and/or representatives of VFA are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if VFA did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the VFA's CLIENT's) and other potentially abusive practices.

VFA has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the VFA's "Access Persons". The VFA's securities transaction policy requires that an Access Person of VFA must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date VFA selects; provided, however that at any time that VFA has only one Access Person, he or she shall not be required to submit any securities report described above.

4. VFA and/or representatives of VFA *may* buy or sell securities, at or around the same time as those securities are recommended to CLIENT's. This practice creates a situation where VFA and/or representatives of VFA are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11-3.

VFA has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of VFA's Access Persons.

Item 12 - Brokerage Practices

1. In the event that the CLIENT requests that VFA recommend a broker dealer/ custodian for execution and/or custodial services (exclusive of those CLIENT's that may direct VFA to use a specific broker-dealer/custodian), VFA generally recommends that investment management accounts be maintained at *TD Ameritrade*, *Schwab*, or any other broker-dealers / custodians. Prior to engaging VFA to provide investment management services, the CLIENT will be required to enter into a formal *Investment Advisory Agreement* with VFA setting forth the terms and conditions under which VFA shall manage the CLIENT's assets and a separate custodial/clearing agreement with each designated broker dealer/ custodian.
2. Factors that VFA considers in recommending *TD Ameritrade*, *Schwab*, or any other broker-dealers / custodians to CLIENT's include historical relationship with VFA, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by VFA's CLIENT's shall comply with the VFA's duty to obtain best execution, a CLIENT may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where VFA determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although VFA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for CLIENT account transactions. The brokerage commissions or transaction fees charged by the designated broker dealer/ custodian are exclusive of, and in addition to,

VFA's investment management fee. The VFA's best execution responsibility is qualified if securities that it purchases for CLIENT accounts are mutual funds that trade at net asset value as determined at the daily market close.

a. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a CLIENT utilize the services of a particular broker-dealer/custodian, VFA may receive from *TD Ameritrade*, *Schwab*, or any other broker-dealers / custodians without cost (and/or at a discount) support services and/or products, certain of which assist VFA to better monitor and service CLIENT accounts maintained at such institutions. Included within the support services that may be obtained by VFA may be investment-related research, pricing information and market data, software and other technology that provide access to CLIENT account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by VFA in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist VFA in managing and administering CLIENT accounts. Others do not directly provide such assistance, but rather assist VFA to manage and further develop its business enterprise.

VFA's CLIENT's do not pay more for investment transactions effected and/or assets maintained at *TD Ameritrade*, *Schwab*, or any other broker-dealers / custodians as a result of this arrangement. There is no corresponding commitment made by VFA to *TD Ameritrade*, *Schwab*, or any other broker-dealers / custodians or any other entity to invest any specific amount or percentage of CLIENT assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

VFA's Chief Compliance Officer, Mark S. La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

b. VFA does not receive referrals from broker-dealers.

- c. VFA does not generally accept directed brokerage arrangements (when a CLIENT requires that account transactions be effected through a specific broker-dealer). In such CLIENT directed arrangements, the CLIENT will negotiate terms and arrangements for their account with that broker-dealer, and VFA will not seek better execution services or prices from other broker-dealers or be able to "batch" the CLIENT's transactions for execution through other broker-dealers with orders for other accounts managed by VFA. As a result, CLIENT may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the CLIENT directs VFA to effect securities transactions for the CLIENT's accounts through a specific broker-dealer, the CLIENT correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the CLIENT determined to effect account transactions through alternative clearing arrangements that may be available through VFA.

VFA's Chief Compliance Officer, Mark S. La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above arrangement.

3. To the extent that VFA provides investment management services to its CLIENT's, the transactions for each CLIENT account generally will be effected independently, unless VFA decides to purchase or sell the same securities for several CLIENT's at approximately the same time. VFA will generally (but is not obligated to) aggregate orders where it determines that such aggregation will result in obtaining best execution, to negotiate more favorable commission rates or to allocate equitably among the VFA's CLIENT's differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among CLIENT's in proportion to the purchase and sale orders placed for each CLIENT account on any given day. VFA shall not receive any additional compensation or remuneration as a result of such aggregation. Where VFA has the opportunity to aggregate orders but elects not to do so, the CLIENT may incur higher costs of execution.

Item 13 - Review of Accounts

1. For those CLIENT's to whom VFA provides investment supervisory services, account reviews are conducted on an ongoing basis by the VFA's Principals and/or representatives. All investment supervisory CLIENT's are advised that it remains their responsibility to advise VFA of any changes in their investment objectives and/or financial situation. All CLIENT's (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with VFA on an annual basis.
2. VFA may conduct account reviews on another than periodic basis upon the occurrence of a triggering event, such as a change in CLIENT investment objectives and/or financial situation, market corrections and CLIENT request.
3. CLIENT's are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the CLIENT accounts. VFA may also provide a written periodic report summarizing account activity and performance.

Item 14 - CLIENT Referrals and Other Compensation

1. As referenced in Item 12.A.1 above, VFA may receive an indirect economic benefit from *TD Ameritrade, Schwab*, or any other broker-dealers / custodians. VFA, without cost (and/or at a discount), may receive support services and/or products from *TD Ameritrade, Schwab*, or any other broker-dealers / custodians.

VFA's CLIENT's do not pay more for investment transactions effected and/or assets maintained at *TD Ameritrade, Schwab*, or any other broker-dealers / custodians as a result of this arrangement. There is no corresponding commitment made by VFA to *TD Ameritrade, Schwab*, or any other broker-dealers / custodians.

TD Ameritrade, Schwab, or any other broker-dealers / custodians, or any other entity to invest any specific amount or percentage of CLIENT assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

VFA's Chief Compliance Officer, Mark S. La Spisa remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

2. VFA does not compensate, directly or indirectly, any person, other than its representatives, for CLIENT referrals.

Item 15 - Custody

VFA shall have the ability to have its advisory fee for each CLIENT debited by the custodian on a quarterly basis. CLIENT's are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the CLIENT accounts. VFA may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that VFA provides CLIENT's with periodic account statements or reports, the CLIENT is urged to compare any statement or report provided by VFA with the account statements received from the account custodian. Please Also Note: The account custodian does not verify the accuracy of the VFA's advisory fee calculation.

Item 16 - Investment Discretion

VFA does not manage CLIENT assets on a discretionary basis.

Item 17 - Voting CLIENT Securities

1. VFA does not vote CLIENT proxies. CLIENT's maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the CLIENT shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the CLIENT's investment assets.
2. CLIENT's will receive their proxies or other solicitations directly from their custodian. CLIENT's may contact VFA to discuss any questions they may have with a particular solicitation.

Item 18 - Financial Information

1. VFA does not solicit fees of more than **\$500** per CLIENT, six months or more in advance.
2. VFA does not manage CLIENT assets on a discretionary basis.
3. VFA has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The VFA's Chief Compliance Officer, Mark S. La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above disclosures and arrangements.