

# Williams Financial, LLC

## Firm Brochure - Form ADV Part 2A



FINANCIAL SOLUTIONS FOR A PURPOSEFUL LIFE

*This brochure provides information about the qualifications and business practices of Williams Financial, LLC. If you have any questions about the contents of this brochure, please contact us at (802) 447-9769 or by email at: [james@williamsfinancial.net](mailto:james@williamsfinancial.net). 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 Williams Financial, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Williams Financial, LLC's CRD number is: 137038*

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*Registration does not imply a certain level of skill or training.*

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## Item 2: Material Changes

The material changes below have occurred since the last annual updating amendment of Williams Financial, LLC filed on March 3, 2016. Material changes relate to Williams Financial, LLC's policies, practices or conflicts of interests only.

- Williams Financial Management, LLC, has changed its name to Williams Financial, LLC.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Williams Financial, LLC is a Limited Liability Company organized in the state of Vermont. This firm has been in business since September 05, 2005 and registered as an investment adviser since November 9, 2005. In March 2017, Williams Financial Management, LLC changed its name to Williams Financial, LLC. The principal owner is James J. Williams.

The firm provides financial planning and investment advisory services on a “Fee-Only” basis. “Fee-Only” means that we do not sell any financial products; we offer only advice and services. Our firm does not sponsor or manage a “wrap fee” investment program. We hold a *fiduciary standard*. This means that we will act in the utmost good faith and will perform in a manner that we believe is in our clients’ best interest.

### B. Types of Advisory Services

Williams Financial, LLC (hereinafter “WF”) offers the following services to advisory clients:

#### *Financial Planning*

Depending on each client’s unique circumstances or specific request, our services may be general in nature, or we may focus them on particular areas of interest or need. Our practice includes, though is not limited to, the following areas:

- cash flow and debt management
- asset allocation and investment selection
- retirement and estate planning
- risk management (e.g., various types of insurances)
- education funding
- tax planning
- investment advice and review

#### Get Acquainted Session

We typically conduct an initial, complimentary interview with each prospective client (“you”). Your interviewer will be qualified to determine the scope of services that we will provide. If you decide to engage our services, we will enter into a written agreement together.

Once we have signed an agreement, we will obtain additional information from you or from anyone else you tell us is legally acceptable (e.g., another adviser, legal counsel, etc.). This information will help us to understand your financial needs, goals, holdings, etc.

In performing our services we may independently verify any information you give us, though it is not a requirement that we do so, and sometimes we will simply take you at your word. We base our financial advice and/or plans on the information that you give us, and we incorporate your financial situation as of the time that we present the plan to you.

### Financial Planning and Investment Advisory Services

WF provides financial planning and investment advisory services which may be either broad based or more narrowly focused, depending on each client's needs and wishes. We provide a variety of advice and services to clients regarding the management of their financial resources. We base that advice on careful analysis of each client's individual needs. Sometimes, a client prefers to focus only on certain aspects of their financial situation, rather than on his or her overall financial circumstances and long-term goals. Working within these limitations means that we may not be able to address other important aspects of the client's overall financial situation.

We typically employ a long term investment perspective, unless a client specifically requests otherwise. WF may assist you in developing a portfolio we believe is appropriate given your unique investment objectives and tolerance for risk. As a client of WF, you will retain absolute discretion (control) over whether and how to implement the advice we give you. You are always free to accept or reject any recommendation we make. If there is any change in your financial situation or investment objectives, you should let WF know right away so that we may work with you to review and possibly revise our recommendations and stay on track with your goals.

We are an investment advisory firm – we do not provide legal advice. If you would like us to, we will work together with your attorney, insurance agent, or other professional advisers to coordinate and implement the strategies we've agreed on. You should be aware that your other professional advisers will bill you separately for their services, and their fees will be in addition to those of WF. We do not share our fees with these other professionals, and they don't share their fees with us.

When you engage WF only for as-needed financial planning and investment advisory services, that engagement will normally conclude when we deliver the requested service (such as a financial plan). We encourage you to engage us in the future so we may review your situation and recommend any changes needed to keep your financial plan in line with your goals. We recommend periodic reviews, and it is each client's responsibility to contact us and initiate a review. Unless we have a written agreement already in place that specifically includes review and updates, a new or amended written agreement may be required. For clients desiring ongoing services, we offer both annual and quarterly review services and ongoing investment supervisory services. The

fees for these engagements are based on the amount of hours we render services. More information about all our fees is provided in Item 5 of this brochure (Fees and Compensation).

#### Annual or Quarterly Advice and Review Services

You may also choose to engage our firm to assist you in implementing the financial and investment strategies we have recommended to you. First, we will assist you in preparing an investment policy statement (IPS), or similar document, reflecting your investment objectives, time horizon, tolerance for risk, as well as any account constraints. Your IPS will be designed to be specific enough to provide future guidance while concurrently allowing flexibility to respond to changing market conditions. Since the IPS will, to a large extent, be a product of information and data you have provided, you will be responsible for reviewing and providing final approval of the document/plan. You may seek our help in establishing new accounts and assisting with account transfers and reconciliations. We may charge a set up fee for these services that are billed at our hourly rate. Our investment management services may include, but are not limited to, the following:

- Investment strategy
- Investment policy statement
- Asset allocation
- Asset selection
- Risk tolerance
- Annual or quarterly portfolio reviews
- Periodic rebalancing on a non-discretionary basis
- Account set up and account transfer services

Our investment strategy and selected investment vehicles are described in further detail in Item 8 of this brochure. The Annual and Quarterly Advice and Review Service Agreement engagement is provided under a non-discretionary engagement agreement (see Item 16). Since the periodic rebalancing is performed on a non-discretionary basis, we will get approval for each and every transaction.

#### Hourly Engagements

This option is available to clients that are not interested in receiving a full plan.

## *Investment Supervisory Services*

WF offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. WF creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

WF evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. WF will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

We encourage all clients to complete a financial plan in addition to engaging in investment management services. The plan may include such topics as: cash flow management, investment positioning, tax planning and estate preservation. For financial planning clients who have already completed a comprehensive plan, our investment supervisory services includes an annual review and update of that existing plan, as well as ongoing financial and investment advice throughout the year.

### *Services Limited to Specific Types of Investments*

WF generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, REITs, insurance products including annuities, private placements, and government securities. WF may use other securities as well to help diversify a portfolio when applicable.

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

WF offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent WF from properly servicing the client account, or if the restrictions would require WF to deviate from its standard suite of services, WF reserves the right to end the relationship.

## D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. WF does NOT participate in any wrap fee programs.

## E. Amounts Under Management

WF has the following assets under management:

| Discretionary Amounts: | Non-discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| \$60,196,707           | \$14,598,110               | 12/31/2016       |

# Item 5: Fees and Compensation

## A. Fee Schedule

### *Financial Planning Fees*

#### Hourly Fees

Hourly fees for financial planning and investment advisory services is \$220 per hour. All hourly fees are billed in 6-minute increments with partial increments treated as a whole. The estimated number of hours to complete the plan will depend on the level and scope of services required, but typically range from \$1,000-\$5,100.

The fees are negotiable and the final fee schedule will be attached to the Financial Planning Agreement. Fees are paid fifty percent in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. Clients may terminate their contracts without penalty within five business days of signing the advisory contract. The fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

#### Annual Advice and Review Services

The fee for this program is based on the complexity of the issues, and the number of hours we estimate we will need in order to provide adequate review of the client's financial health on a yearly basis. The Annual Review includes a yearly review of the Clients financial status and portfolio review and up to 1 hour of e-mail and telephone support throughout the year. Clients have the ability to call us anytime throughout the year, and will be billed at our rate of \$220 per hour. At the end of the rolling 12-month period we will update the client's information, review their current financial plan and deliver a report to them based on this information. You may seek our help in

establishing new accounts and assisting with account transfers and reconciliations. We may charge a set up fee for these services that are billed at our hourly rate of \$220 per hour.

All Annual Advice and Review Services have a minimum fee of \$1,600 per year. Typically, the fee for this service does not exceed \$ 2,600. Trading assistance and additional assistance above the time limit is available at an additional cost. Trading assistance and additional services above the time limit is available at an additional cost and a 10% discount off the standard hourly rate is applied for this work.

Quarterly Advice and Review Services

The fee for this program is based on the complexity of the issues, and the number of hours we estimate we will need in order to provide adequate review of the client’s financial health on a yearly basis. This service gives clients the ability to call us anytime throughout the year and at the end of the rolling 12-month period we update the client’s information, review their current financial plan and deliver a report to them based on this information. In addition to the annual update report mentioned above, at the end of each calendar quarter, we will provide an investment report that includes a market overview and specific recommendations for your household portfolio. You may seek our help in establishing new accounts and assisting with account transfers and reconciliations. We may charge a set up fee for these services that are billed at our hourly rate of \$220 per hour.

All Quarterly Advice and Review Services have a minimum fee of \$4,000 per year. The hourly fee for this service is \$200. This fee is above and beyond the fee paid for the initial financial plan. Typically, the fee for this service does not exceed \$10,000. The fee is paid to us quarterly and it is calculated based on how many hours of services our clients believe they will use over the next year. Trading assistance and additional assistance above the time limit is available at an additional cost. Trading assistance and additional assistance above the time limit is available at an additional cost and a 10% discount off the standard hourly rate is applied for this work.

Hourly Engagement Fees:

Total fee is a minimum of \$220 per session (1 hour minimum). Beyond the minimum, services are based on a rate of \$220 per hour, billed in six minute increments and a partial increment treated as a whole.

***Tactical, Discretionary, Investment Management Services Fees***

| Total Assets Under Management | Annual Fee |
|-------------------------------|------------|
| Up to \$250,000               | 1.50%      |
| \$250,001 - \$1,000,000       | 1.25%      |
| Above \$1,000,001             | 1.00%      |

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached to the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. For accounts that are held at Schwab, advisory fees are withdrawn directly from the client's accounts with client written authorization.

## **B. Payment of Fees**

### *Payment of Investment Supervisory Fees*

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears.

### *Payment of Annual and Quarterly Advice and Review Services*

WF will bill fees for Annual and Quarterly Advice and Review Services on a quarterly basis. The firm bills at the end of each quarter based on the fee stated in the client agreement, and fees are paid in arrears. An account's first billing cycle may occur once the agreement is executed and accounts are funded and this may be irrespective of a partial period under our engagement; however, a partial period will be assessed a pro-rated fee. Fee payments will generally be assessed within 10 business days following each billing cycle.

If accounts are held at Charles Schwab & Co., client fees can be withdrawn directly from client accounts, in the jurisdictions that require it, WF will:

(A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.

(B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.

(C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

### *Payment of Financial Planning Fees*

Hourly Financial Planning fees are paid via check fifty percent in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

### **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by WF. Please see Item 12 of this brochure regarding broker/custodian.

### **D. Prepayment of Fees**

WF collects certain fees in advance and certain fees in arrears. Refunds for fees paid in advance will be returned within fourteen days to the client via check or return deposit back into the client's account.

For all asset based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee by 365.)

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither WF nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

WF does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

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

WF generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ Trusts, Estates, or Charitable Organizations
- ❖ Corporations or Business Entities

### *Minimum Account Size*

WF will no longer have a minimum account size or income level.

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

### **A. Methods of Analysis and Investment Strategies**

#### *Methods of Analysis*

WF's methods of analysis include fundamental analysis, technical analysis, cyclical analysis and modern portfolio theory.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Modern portfolio theory** is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

#### *Investment Strategies*

WF uses long term trading and short term trading strategies.

#### *Tactical Allocation*

Tactical Allocation is about staying in harmony with market trends and countertrends. Tactical Asset Allocation seeks to invest in an asset once it has entered an uptrend and exit once it has entered a downtrend. Tactical Asset Allocation involves using different methodologies - relative strength/momentum, countertrend analysis, inter-market analysis and different time frames (daily, weekly, monthly, etc.). Tactical asset allocation is an active management strategy that allows an adviser to seek extra value by rebalancing the percentage of assets held in various categories to take advantage of strong market sectors.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## B. Material Risks Involved

### *Methods of Analysis*

#### *Risks Associated with Methods of Analysis*

WF's securities analysis methods rely on the assumption that the companies whose securities the firm purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While the firm is alert to indications that data may be incorrect, there is always the risk that WF's analysis may be compromised by inaccurate or misleading information.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

**Traditional Asset Allocation (Modern Portfolio Theory)** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### *Investment Strategies used in Discretionary Investment Management*

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

### *Risk in General*

Investing in securities involves risk of loss that each client should be prepared to bear. Typical investment risks include market risk typified by a drop in a security's price due to a company specific event (e.g. unsystematic risk), or general market activity (e.g., systematic risk). In addition, certain strategies may impose more risk than others. For example, with fixed-income securities, a period of rising interest rates could erode the value of bonds, since bond values generally fall as bond yields rise. Investment risk with international equities also includes fluctuation in currency values, differences in accounting and economics and political instability. The analysis of securities requires subjective assessments and decision-making by experienced investment professionals, however, there is always the risk of an error in judgment.

### *Risk Associated with Specific Securities Utilized*

**Equity Securities** - The major risks associated with investing in equity securities relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the company's ability to create shareholder value (e.g., increase the value of the company's stock price).

**Exchange Traded Funds** - ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund.

**Equity Mutual Funds** - The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund.

**Fixed-Income Mutual Funds** - In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also carry the following risks:

- Credit Risk - the risk that a company or bond issuer may fail to pay principal and interest payments in a timely manner.
- Interest Rate Risk - the risk that the market value of the bonds will go down when interest rates rise.

- Prepayment Risk - the risk that a bond will be paid off early.

**Options** - There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

**Alternative Investments** - The performance of alternative investments (e.g., commodities, futures, hedge funds; funds of hedge funds, private equity or other types of limited partnerships) can be volatile. Alternative investments generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the offering documents of each specific alternative investment. Due to the speculative nature of alternative investments a client must satisfy certain income or net worth standards prior to investing.

**Technical Trading Models** - The primary risk of technical trading models is that historical trends and past performance cannot predict future trends and there is no assurance that the mathematical algorithms employed are designed properly, are updated with new data or updated in a timely manner, or can accurately predict future market, industry and sector performance.

#### *Additional Risks*

**Frequent Trading and Investment Performance** - Tactical strategies are actively managed in a daily basis and frequent trading may occur. Strategies involving frequent trading of securities can affect investment performance through increased brokerage and other transaction costs and taxes.

**Concentrated Portfolios** - Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## C. Risks of Specific Securities Utilized

WF generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Investing in securities involves risk of loss that clients should be prepared to bear. Clients of the firm first meet with an adviser to determine their specific investment objective, risk tolerance and time horizon. Based on the information communicated during the meeting(s), the adviser recommends an asset allocation strategy. This asset allocation strategy is determined through proprietary research and is generally based on Modern Portfolio Theory. Once the asset allocation is determined, specific investment in each class are chosen. Usually, this consists of allocations represented by stocks (large-cap, mid-cap, and small-cap, domestic, international and emerging), bonds (short-durations, intermediate-duration, long-durations, investment grade, and high-yield, domestic, foreign and inflation-protected) and alternatives (REITs, precious metals, commodities, utilities, as well as others). In each class there is a risk of capital loss. The risk of investing in stocks and alternatives is market volatility that may result in the loss of assets. The risk of investing in fixed income securities is interest rate risk and default, which may result in loss of assets.

### *Investment Models and Strategies for Tactical, Discretionary Investment Management Services*

The firm uses four different asset allocation strategies as a base to construct individual accounts for clients. These asset allocation strategies are referred to as Aggressive Growth, Moderate Growth, Total Return , or Income and Capital Preservation. At any time the construction of these strategies may change, as determined by the Chief Investment Officer. In general, the firm uses a blended approach to investing. The firm uses mostly low-cost mutual and exchange traded funds or index funds to give clients a wide array of invest class exposure. Trading securities can affect investment performance, specifically through increases in brokerage commissions and transaction fees. Due to this, the firm may hold investments for the long-term and may not trade frequently.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## Item 9: Disciplinary Information

### A. Criminal or Civil Actions

There are no criminal or civil actions to report.

## **B. Administrative Proceedings**

There are no administrative proceedings to report.

## **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

## **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither WF nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither WF nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Daryl Ann Spirka is a licensed insurance agent. While she maintains her license for advisory purposes, she is currently not active or involved in the solicitation and selling of insurance products. Any trails that she may be earning from past insurance sales activity are donated to a local charity.

Lawrence Ardley Hart is a licensed insurance agent in Pennsylvania and South Carolina; however, he no longer sells life insurance for a commission.

Insurance services will only be offered in states in which the adviser is registered.

WF also provides accounting, tax preparation and bookkeeping at an hourly rate.

## **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

WF does not share fees with other advisers or managers. Each advisor is compensated in a separate and distinct way.

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

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

WF does not recommend that clients buy or sell any security in which a related person to WF or WF has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of WF may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of WF to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. WF will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of WF may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of WF to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. WF will always transact client's transactions before its own when similar securities are being bought or sold.

## Item 12: Brokerage Practices

### A. Factors Used to Select Custodians and/or Broker/Dealers

WF considers the following factors when determining which custodian to recommend to clients; relatively low transaction fees, name recognition, powerful background and access to mutual funds and ETFs. Based on these factors, Charles Schwab & Co., Inc., CRD # 5393, was chosen to be the recommended custodian. WF will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

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

WF receives research, products, or services either from its broker-dealer or another third-party in connection with client securities transactions (“soft dollar benefits”). There is no minimum client number or dollar number that WF must meet in order to receive free research from the custodian or broker/dealer. WF receives a benefit because it does not have to pay for or produce the research, services, or products and therefore WF might have an incentive to recommend a custodian based on its interest rather than their clients. The first consideration when recommending broker/dealers to clients is best execution.

#### 2. *Brokerage for Client Referrals*

WF receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

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

WF will not allow clients to direct WF to use a specific broker-dealer to execute transactions. Clients must use WF recommended custodian (broker-dealer). Not all advisors require clients to direct brokerage via a specific broker-dealer.

### B. Aggregating (Block) Trading for Multiple Client Accounts

WF maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing WF the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## Item 13: Reviews of Accounts

### A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

#### *Reviews for Investment Advisory Services*

Client accounts are reviewed at least quarterly by James J. Williams, CEO and all registered Investment Adviser Representatives as assigned. James J. Williams is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at WF are assigned to this reviewer.

#### *Recommended Reviews Financial Planning*

All financial planning accounts are reviewed upon financial plan creation and plan delivery by James J. Williams, CEO or Janice Swenor, Executive Vice President and Principal Financial Planner.

You should contact our firm for additional reviews when making decisions about changes in your financial situation (i.e., the loss of a job, retirement, receipt of a significant bonus, an inheritance, the birth of a new child, or other circumstances).

Periodic financial check-ups or reviews are recommended if you are receiving our financial planning and investment advisory services, and we recommend that they occur at least on an annual basis whenever practical.

If your engagement agreement calls for ongoing financial planning and investment advisory services, we encourage you to schedule these meetings in advance or you will be contacted per your plan schedule for continued review.

Reviews will be conducted by your selected investment advisor representative or financial planner and normally involve analysis and possible revision of your previous financial plan or investment allocation.

Unless provided for in your engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at our current hourly rate.

### *Quarterly Advice and Review Services- Investment Advice, Implementation and Review*

Quarterly Advice and Review Service Agreement accounts are reviewed on a yearly or more frequent basis as outlined in the engagement. Additional reviews may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. Accounts may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least monthly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian. WF does not provide additional written reports, all required reports will be sent by the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

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

#### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

WF does not receive any economic benefit, directly or indirectly from any third party for advice rendered to WF clients.

## **B. Compensation to Non - Advisory Personnel for Client Referrals**

WF and associated personnel may be members of financial planning professional associations such as NAPFA and Garrett Planning Network, Inc. These associations may allow interested parties (prospective clients) to search for participant firms (such as WF) or individual financial planners within a selected state or region via their websites. Online search tools provided by these associations may list advisory firm or individual financial planner contact information, and these passive websites may also provide means for interested persons to contact a firm or planner via electronic mail or telephone number in order to interview the participant firm or planner. Members of the public may also choose to telephone association staff to inquire about a firm or individual planner within their area, and would receive the same or similar information. Prospective clients locating WF or an individual associate via an association venue are not actively marketed by these organizations. Clients referred to our firm in this manner do not pay more for their services than other clients who referred in other ways, such as through a personal referral.

### **Item 15: Custody**

WF, with client written authority, has limited custody of client's assets through direct fee deduction of WF's Fees only. Constructive custody of all client's assets and holdings is maintained primarily at the custodian. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients will receive statements from the custodian. WF does not provide account statements to clients in addition to those provided by the custodian.

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

For those client accounts where WF provides ongoing supervision, WF maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced. Discretionary authority is executed by agreement through the custodian account application and the investment advisory contract. The client provides WF discretionary authority via a limited power of attorney in the Investment Advisory Contract and executing limited power of attorney in the contract between the client and the custodian.

## **Item 17: Voting Client Securities (Proxy Voting)**

WF will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

WF does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither WF nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

WF has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

WF currently has only one management person/executive officer; James J. Williams. James J. Williams's education and business background can be found on the Supplemental ADV Part 2B form.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

James J. Williams's other business activities can be found on the Supplemental ADV Part 2B form.

**C. How Performance Based Fees are Calculated and Degree of Risk to Clients**

WF does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

**D. Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at WF or WF has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither WF, nor its management persons, has any relationship or arrangement with issuers of securities.

## **Williams Financial, LLC**

EFFECTIVE SEPTEMBER 20, 2005

### **PRIVACY POLICY OF WILLIAMS FINANCIAL, LLC**

Williams Financial, LLC has adopted this policy with recognition that protecting the privacy and security of the personal information we obtain about our customers is an important responsibility.

We also know that you expect us to service you in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about you. We want you to know what information we collect and how we use and safeguard that information.

### **WHAT INFORMATION WE COLLECT**

We collect certain nonpublic personal identifying information about you (such as your name, address, social security number, etc.) from information that you provide on applications or other forms as well as communications (electronic, telephone, written or in person) with you or your authorized representatives (such as your attorney, accountant, etc.). We also collect information about your brokerage accounts and transactions (such as purchases, sales, account balances, inquiries, etc.).

### **WHAT INFORMATION WE DISCLOSE**

We do not disclose the nonpublic personal information we collect about our customers to anyone except:

(i) in furtherance of our business relationship with them and then only to those persons necessary to effect the transactions and provide the services that they authorize (such as broker-dealers, custodians, independent managers etc.); (ii) to persons assessing our compliance with industry standards (e.g. Professional licensing authorities, etc.); (iii) our attorneys, accountants, and auditors; or (iv) as otherwise provided by law.

We are permitted by law to disclose the nonpublic personal information about you to governmental agencies and other third parties in certain circumstances (such as third parties that perform administrative or marketing services on our behalf or for joint marketing programs). These third parties are prohibited to use or share the information for any other purpose. If you decide at some point to either terminate our services or become an inactive customer, we will continue to adhere to our privacy policy, as may be amended from time to time.

### **SECURITY OF YOUR INFORMATION**

We restrict access to your nonpublic personal information to those employees who need to know that information to service your account. We maintain physical, electronic and procedural safeguards that comply with applicable federal or state standards to protect your nonpublic personal information.

### **CHANGES TO OUR PRIVACY POLICY OR RELATIONSHIP WITH YOU**

Our policy about obtaining and disclosing information may change from time to time. We will provide you notice of any material change to this policy before we implement the change.