



FORM ADV 2A BROCHURE COVER PAGE

# Marian Financial Services, Inc.

## CRD# 141456

This brochure provides information about the qualifications and business practices of Marian Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at (904) 460-2700 or email at [rick@marianfs.com](mailto:rick@marianfs.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.

Please note that information about our investment adviser firm and investment adviser representatives are found in three different locations. 1) at the SEC's web site located at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). 2) at [investor.gov/CRS](http://investor.gov/CRS) and 3) at [brokercheck.finra.org](http://brokercheck.finra.org). Our firm **is not** affiliated with a broker-dealer, nor do we have any registered representatives. We are a Registered Investment Adviser.

Registration as a Registered Investment Adviser does not imply a certain level of skill or training. A Registered Investment Adviser refers to the firm itself, not any person.

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This last update prior to this one was November 10, 2020.

The reason for this update is the following:

This is the annual updating amendment for our firm for the year 2021.

We have updated the assets under management figures for our firm as of January 31, 2021. See page 8 for this update.

Our firm has added a new offering through Altruist Financial, LLC, CRD# 299274/SEC# 8-70244 that clears through Apex Clearing Corporation, CRD# 13071/SEC# 8-23522. <https://www.altruist.com>. Information about Altruist Financial, LLC and Apex Clearing Corporation is mentioned throughout this document.

*Please note that when you see the acronym "MFS" in this document, this is an abbreviation for our firm name Marian Financial Services, Inc.*



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## A. INFORMATION ABOUT OUR FIRM

Marian Financial Services, Inc. started operations in August of 2006. Richard Mark Allison is currently the 100% owner of the firm. Marian Financial Services, Inc., hereinafter referred to as “MFS”, is a Registered Investment Adviser with the State of California, Florida, Kentucky, and Texas. MFS may do business in other states as part of a *de minimus* exemption (less than five clients in a state.) MFS will obtain the required licensing in other states when required.

## B. ADVISORY SERVICES OFFERED

MFS performs investment management or supervisory services and acts as a Portfolio Manager for client accounts on a discretionary basis. MFS designs and implements their own ETF Portfolios for clients of our firm. Financial Planning is included for clients who open an investment management account with our firm or with Morningstar Investment Services, Inc., at no additional fee upon request by a client. However, MFS can also be hired on a case-by-case basis for Financial Planning services on a negotiated flat fee basis, *only* if a client does not desire investment management services.

**State of California Requirement:** California Code of Regulations Section 260.235.2 Disclosure of Compensation for Financial Planning Activities. This CA Code Section 260.235.2 states:

(a) It shall constitute a fraudulent, deceptive, or manipulative act, practice or course of business within the meaning of Section 25235 of the Code for an investment adviser or an associated person of an investment adviser to fail to deliver to a financial planning client a notice in writing containing at least the information found below at the time of entering into a contract for, or otherwise arranging for the provision of, the delivery of a financial plan:

(1) Whether the investment adviser, or an affiliate or associated person of the investment adviser, will receive commissions from the sale of insurance or real estate or will receive fees or other compensation from the sale of securities or other products or services recommended in the financial plan or otherwise has a conflict of interest. If so, that a conflict exists between the interests of the investment adviser or associated person and the interests of the client. This requirement does not apply to an investment adviser or an associated person of the investment adviser if the investment adviser, an associated person of the investment adviser, and an affiliate of the investment adviser will not receive fees or other compensation from the sale of securities or other products or services recommended in the financial plan, and if such persons otherwise do not have a conflict of interest.

(2) The client is under no obligation to act on the investment adviser's or associated person's recommendation. Moreover, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser or the associated person when such person is employed as an agent with a licensed broker-dealer or is licensed as a broker-dealer or through any associate or affiliate of such person.

(b) “Financial planning” includes, in all or part, but is not limited to, the preparation of a financial plan by an investment adviser or an associated person of an investment adviser for an investment advisory client which may include estate or tax planning recommendations, an annual or periodic review of a financial plan, the management and/or monitoring of a client's investments under a financial plan, the provision of information and/or advice to a client regarding the purchase and/or sale of securities, real estate, insurance contracts, annuities contracts, or any types of real or personal property under a financial plan.



## C. MONEY MANAGEMENT PROCESS AND RESTRICTIONS

Each investment account that we manage is based on one of our model portfolios described below with some potential for limited customization to the individual client. Clients may impose restrictions regarding in-kind securities held in their separate accounts, but generally not about investments from our model portfolios described below.

### MFS Exchange Traded Fund Portfolios

MFS designs, implements and monitors Exchange Traded Funds (ETF) model portfolios to manage client accounts. We also build ETF portfolios custom tailored to the individual client. All our ETF Portfolios may hold some of the following asset classes listed below but are not limited to only these asset classes.

### Equity Asset Classes:

Large Cap Growth	Mid-Cap Growth	Small Cap Growth
Large Cap Value	Mid-Cap Value	Small Cap Value
Large Cap Equal Weight	Mid-Cap Equal Weight	Small Cap Equal Weight
Large Cap Low Volatility	Mid-Cap Low Volatility	Small Cap Low Volatility
Asia Pacific	Europe	S&P 500 Sectors - Equal Weight
Frontier Markets	Micro-Cap	Commodities/MLP's
Gold/Silver	FTSE World Index ex-US	Emerging Markets
International Real Estate	U.S. Real Estate	MSCI EAFE Minimum Volatility
MSCI Emerging Markets Minimum Volatility		

### Fixed Income Asset Classes:

Short Term Bonds	Intermediate Term Bonds	Sovereign Debt
Long Term Bonds	Target Date Bonds	FDIC Insured CD's
Inflation Protected Bonds	Emerging Market Local Currency Bonds	

### Cash or Cash Equivalents

Cash & Bank Sweep Funds	Money Market Funds	Tax-free Money Market Funds
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### General ETF Portfolio Guidelines

We *generally* buy *mostly* the same ETF's in each ETF Portfolio, except in different percentages based on risk. We buy these ETF's when you open an account at Altruist Financial, LLC or Charles Schwab & Co., Inc. Usually, we buy from 10 to 16 different ETF's. The MFS ETF Portfolios that we use *generally* hold the following percentages of equities (stocks) with the balance in Fixed Income (bonds) and Cash:

<i>Ultra-Income ETF</i>	40 - 55% Equities	60 - 45% Fixed Income & Cash
<i>Income ETF</i>	55 - 60% Equities	45 - 40% Fixed Income & Cash
<i>Growth &amp; Income ETF</i>	55 - 65% Equities	45 - 35% Fixed Income & Cash
<i>Growth ETF</i>	65 - 75% Equities	35 - 25% Fixed Income & Cash
<i>Aggressive Growth ETF</i>	75 - 85% Equities	25 - 15% Fixed Income & Cash
<i>Custom ETF and Stocks Portfolios</i>	30 - 85% Equities	15 - 70% Fixed Income & Cash

The percentages are guidelines and *may vary* based on the movement of the underlying securities held in each portfolio. Individual client requests and restrictions may alter the equity mix of the ETF portfolio chosen and



therefore the performance of the portfolio. MFS offers limited investment advice on individual stocks and may include some stocks in a “*Custom ETF and Stocks Portfolios*” as shown above. MFS prefers to refer clients to Morningstar Investment Services, Inc. when a client desires a primarily stock portfolio. Morningstar Investment Services is an unaffiliated SEC Registered Investment Adviser. Their regulatory identification numbers are CRD # 8-53593 and SEC # 801-60401. See their Form ADV 2A, 2B, Appendix I, Privacy Policy and their Investment Management Agreement for more information which is available with a Request for Proposal.

**Note:** *Individual investor objectives, financial situations, their specific instructions or restrictions on investments or the time at which an account is opened, or additions are made may result in different trades and returns from our MFS ETF Portfolios. Performance for the other MFS ETF Portfolios (not chosen) may differ materially more or less than the MFS ETF Portfolio chosen for your account. It should not be assumed that future recommendations will be profitable or equal past MFS ETF Portfolio performance.*

#### D. PARTICIPATION IN WRAP FEE PROGRAMS.

Our firm does not offer nor participant in wrap fee programs that are managed by MFS.

#### E. ASSETS UNDER MANAGEMENT

The amount of discretionary assets that we manage is \$7,995,907. The amount of non-discretionary assets that we manage is \$2,122,335. The total assets under management are \$10,118,242. These figures are as of January 31, 2021.

### ITEM 5 - FEES AND COMPENSATION

#### A. FEE SCHEDULE

##### ***Investment Management Services (Portfolio Management)***

These fees are negotiable, and the final fee schedule will be detailed in the Investment Advisory Contract. Our standard fee schedule for Investment Management Services is below:

\$1 to \$500,000	= 1.25% annually, payable quarterly
On the next \$500,001 - \$1,000,000	= 0.75% annually, payable quarterly
On the next \$1,000,001 and up	= 0.50% annually, payable quarterly

##### ***Financial Planning Services***

On a case-by-case basis, MFS can be hired for Financial Planning only services for a negotiated flat fee that ranges from \$600 to \$1,800 per year. Financial Planning services are automatically included at no additional fee for clients who subscribe to Investment Management Services. Financial Planning only services is for clients who do not want Investment Management Services and is only offered on a case-by-case basis at a mutually agreeable fee. Financial Planning only services is billed via invoice when the Financial Plan is delivered and can be paid by check or debit/credit card.



## ***Hourly Services***

MFS charges \$100 per hour fee with a 4-hour time limit (\$400 total) for assisting clients with client requested services. An example of a client requested service would be assisting clients with Power of Attorney implementations and re-titling accounts at other firms due to the incapacity of a loved one. Another example would be to assist clients in the data gathering and the initial preparation needed to hire an attorney, or legal document preparation firm that will draft legal documents such as Revocable Living Trusts, Wills, Health Care Powers of Attorneys, Durable Powers of Attorneys, and related documents. This hourly fee is charged on a case-by-case basis and at the request of a client. Hourly fees are billed via invoice upon completion of the hourly services requested and can be paid by check or debit/credit card.

## ***Selection of Other Advisors***

### **Morningstar Investment Services, Inc. - Morningstar Managed Portfolios Program**

Morningstar offers an assortment of money management options that include accounts with mutual funds, ETF's or Stocks. Morningstar's fee is non-negotiable, but our fee (MFS) is negotiable. The maximum fee schedule for these strategies are as follows:

- **Mutual Fund Asset Allocation** - Morningstar fee is 0.40% plus maximum MFS fee of 1.10% - total maximum fee = 1.50%
- **Active/Passive Asset Allocation** - Morningstar fee is 0.40% plus maximum MFS fee of 1.10% - total maximum fee = 1.50%
- **Retirement Income** - Morningstar fee is 0.40% plus maximum MFS fee of 1.10% - total maximum fee = 1.50%
- **Outcome Based/Focused** - Morningstar fee is 0.40% plus maximum MFS fee of 1.10% - total maximum fee = 1.50%
- **ETF Asset Allocation Strategies** - Morningstar fee is 0.30% plus maximum MFS fee of 1.10% - total maximum fee = 1.40%
- **Select Equity Portfolio Strategies** - Morningstar fee is 0.55% plus maximum MFS fee of 1.10% and maximum ABP\* of 0.10% - total maximum fee = 1.75%

\*With the recent elimination of trading commissions by Schwab and Fidelity, we expect that this 0.04% - 0.10% maximum fee will also be eliminated on Select Equity Portfolio Strategies. For now, however, we must assume this maximum ABP fee remains in place at both Fidelity and Schwab.

Fees and compensation for clients referred to Morningstar Investment Services, Inc. are provided in more detail in their Form ADV 2A, 2B, Appendix I and Investment Management Agreement. These documents are provided for clients with a Request for Proposal from Morningstar Investment Services, Inc.

## ***Retirement Planning Services for Businesses***

Retirement Planning Services for businesses is a way for businesses to offer their employees a conflict-free way of providing much needed Retirement Planning Services to their employees. This allows for a Financial Plan that includes retirement plan advice without employees being "sold" any products or assets under management services. This removes the major stumbling blocks and conflicts involved with most other financial advisors. Retirement Planning Services is a tax-deductible fringe benefit offering that businesses may deduct on their business tax return. **There are no W-2 or Form 5500 reporting**



**requirements.** This is reported as a deductible business expense simply by reporting it on line 24, “Employee Benefit Programs” of Form 1120, or on line 18 on Form 1120-S. See IRS Form 15b – Employer’s Tax Guide to Employee Benefit (for use in 2019) page 20, Retirement Planning Services for more details. Consult your tax advisor for more information about the tax deductibility of this offering. The fee for this offering is negotiable for businesses with more than 50 employees.

- Businesses - \$150 per quarter or \$300 semi-annually per employee.

See our firm’s Appendix C - Retirement Planning Services Agreement for more details about this Retirement Planning Services offering for businesses and their employees. Appendix C is available upon request for business owners.

### ***Reasonableness of Advisory Fee***

Mr. Allison entered the securities business in 1988 and has over 32 years of experience advising clients on the complicated issues of investing. Mr. Allison has authored four books on investing and financial planning and has a deep knowledge of the financial planning field as a CFP® licensee since 1992. He holds a bachelor’s degree from the University of Arkansas-Little Rock, plus two other financial designations, the Chartered Advisor for Senior Living® and the Chartered Mutual Fund Counselor®, plus insurance and real estate licenses. Mr. Allison is uniquely qualified to make and offer investment and financial planning advice to clients for the fees described above. A financial plan is included for all investment management clients for no additional fee. Further, clients deal directly with Mr. Allison for assistance rather than being passed off to a junior investment adviser with less experience than Mr. Allison. In light of these factors, Mr. Allison feels that his fee schedule is reasonable in comparison to other investment adviser firms. However, you may be able to find comparable services for a lower fee from other registered investment adviser firms.

## **B. PAYMENT OF FEES**

### ***Payment of Fees for Portfolio Management***

Fees are paid quarterly in advance by deducting them from each client account.

## **C. CLIENT RESPONSIBILITY FOR THIRD PARTY FEES**

Our firm currently uses commission-free ETF's from Altruist Financial, LLC and Charles Schwab & Co. Inc. Altruist Financial, LLC and Charles Schwab & Co. Inc. may also charge other fees such as interest on margin loans, wired funds fees, checkbook fees, insufficient funds fees and other fees disclosed in the Altruist Financial, LLC Pricing Guide or the Charles Schwab & Co. Inc. Pricing Guide which is available upon opening an account and online at <https://altruist.com/m/Altruist-Fee-Schedule.pdf> or <https://www.schwab.com/pricing>.

If a client chooses to invest in a Morningstar Managed Portfolio and chooses Charles Schwab & Co., Inc. or Fidelity as the custodian, then neither firm charges commissions for trading. Fidelity or Schwab may charge other fees such as interest on margin loans and cash management fees that are disclosed on their web sites at either [www.fidelity.com](http://www.fidelity.com) or [www.schwab.com](http://www.schwab.com).

Other fees the clients may incur are related to the ETF’s or mutual funds that are recommended or held in their accounts. These fees are charged by the ETF or mutual fund issuer/distributor and are not shared with Marian



Financial Services, Inc. Please review the specific ETF or mutual fund prospectus for a detailed disclosure of all related fees.

#### D. TERMINATION AND FEE REFUNDS

Clients may terminate their accounts with written notice to our home office. MFS retains the right to terminate their relationship with clients with either verbal or written notice. Upon termination by either MFS or the client, the effective date of termination shall be used as the ending date for valuation of the Account. The final charge for Investment Management services shall cover the period from the first day of the quarter to the termination date. Our fees are charged in advance. If termination of an account occurs, then Clients would receive a final bill for Investment Management services that would include the actual number of days that the account or accounts under management were in the quarter. Refunds would be paid for Clients who were charged in advance for any unused days in the quarter after the termination date.

#### E. OUTSIDE COMPENSATION FOR THE SALE OF SECURITIES TO CLIENTS

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

See Item 10., C. for conflicts of interests and how are firm addresses these conflicts.

### ITEM 6 - PERFORMANCE BASED FEES

MFS 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

MFS generally provides advisory services to the following types of clients:

- Individuals and High Net-Worth Individuals
- Trusts and Estates
- Charitable Organizations
- Limited Liability Companies
- Client owned businesses

#### ***Minimum Account Size***

MFS requires a minimum investment of \$25,000 for ETF and mutual fund portfolios, unless reduced or waived. We normally accommodate client's family members who are younger and do not meet this minimum as a courtesy.

Clients referred to Morningstar Investment Services, Inc are subject to their account minimums. They have a minimum of \$5,000 to invest in Morningstar Mutual Funds. Other mutual fund portfolios require a \$50,000 minimum. ETF Portfolios have a minimum of \$25,000. Stock Portfolios have three options with minimums of \$75,000, \$150,000 and \$250,000 depending on the specific strategy chosen. See their Form ADV 2A, 2B,



Appendix I, and their Investment Management Agreement for more information which is available on request and with a Request for Proposal from Morningstar Investment Services, Inc.

## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investing involves risk and the potential for loss of principal. There is a risk of principal loss with our investment management strategy, because we invest in asset classes that are not guaranteed, but rather are subject to the volatility of the domestic and foreign stock and bond markets. The client assumes the risk of principal loss by opening an account with MFS.

MFS's securities analysis methods include technical analysis or charting, and fundamental analysis based on published research such as financial newspapers, magazines, web sites, and research material prepared by others, corporate rating services, annual reports, prospectuses, SEC filings and Company Press Releases. We rely primarily on independent research provided by Morningstar, Argus, Ned Davis and Charles Schwab & Co. Inc.

The investment strategies used to implement any investment advice to clients include: Long Term Purchases (securities held at least one year), Short Term Purchases (securities held less than one year), Short Term Trading (securities sold within 30 days), Short Sales, Margin Transactions and Option writing, including covered options, uncovered options or spreading strategies.

More specifically, MFS's investment strategies are based on Global Tactical Asset Allocation utilizing Equal-Weighted Equity Investments and Low Volatility Investments. Global Tactical Asset Allocation is based on Modern Portfolio Theory but utilizes occasional timing changes of asset classes. MFS may on occasion move clients to cash, increase, decrease, or eliminate exposure to certain asset classes. On occasion, we may also dollar cost into asset class positions based on market volatility. These changes in one of our portfolios require trades to be made each month which can decrease the overall performance of a portfolio, **if** the market trends up during the dollar cost averaging period. Conversely, dollar cost averaging is beneficial, **if** the market trends down during the dollar cost averaging period.

### ***Morningstar Investment Services, Inc.***

In advising clients of MFS investing in the Morningstar Managed Portfolios Program, we may select from their different offerings which include ETF's, mutual funds, and stock portfolios. These solutions are based on the information, research, asset allocation methodology and investment strategies of Morningstar Investment Services, Inc. Clients will receive a separate disclosure documents from Morningstar Investment Services, Inc. that more fully explains the risks involved in investing in their Managed Portfolios Program. Morningstar's disclosure documents are available on request prior to becoming a client of MFS and included with their Request for Proposal.

### A. RISKS OF SPECIFIC SECURITIES UTILIZED

Our investment recommendations are primarily geared towards Exchange Traded Funds or ETF's based on an underlying index. Exchange Trade Funds have unique risks specific to the ETF asset class recommended. A summary of the major risks is detailed below. These risk summaries are not all inclusive. More details about each ETF fund used in our recommendations can be found in the specific ETF fund's



Summary Prospectuses, Full Prospectuses, Statement of Additional Information, Semi-annual and Annual Reports.

## Equity or Stock ETF Risk Summary

### *Primary Risks*

(For more specific risk information, refer to the individual ETF prospectus.)

An investment in an ETF Fund could lose money over short or even long periods. You should expect an ETF Fund's share price and total return to fluctuate within a wide range, like the fluctuations of the global stock market. An Equity or Stock ETF Fund's performance could be hurt by:

- *Stock market risk*, which is the chance that stock prices overall, will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. An ETF Fund's investments in foreign stock markets can be riskier than U.S. stock investments. The prices of foreign stocks and the prices of U.S. stocks have, at times, moved in opposite directions. In addition, an ETF Fund's target index may, at times, become focused in stocks of a sector, category, or group of companies.
- *Country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because an ETF Fund may invest a large portion of its assets in securities of companies located in any one country or region, an ETF Fund's performance may be hurt disproportionately by the poor performance of its investments in that area. Country/regional risk is especially high in emerging markets.
- *Emerging markets risk*, which is the chance that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets.
- *Currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.
- *Index sampling risk*, which is the chance that the securities selected for an ETF Fund, in the aggregate, will not provide investment performance matching that of the ETF Fund's target index. Index sampling risk is also known as "tracking risk," because it fails to accurately track the performance of the index it is following as an investment strategy.

## Fixed Income or Bond ETF Risk Summary

### *Primary Risks*

(For more specific risk information, refer to the individual ETF prospectus.)

Bond ETF Funds can also move up or down depending on the current strength or weakness of the overall economies of the country issuing the bonds, or the government or corporate issuer. The Bond ETF Fund's performance could be hurt by:

- *Interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be low for a Bond ETF Fund that invests mainly in short-

term bonds, whose prices are much less sensitive to interest rate changes than are the prices of long-term bonds.

- *Income risk*, which is the chance that a Bond ETF Fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, so investors should expect the Fund's monthly income to fluctuate.
- *Credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Corporations do go bankrupt and in turn, fail to pay interest and principal. Credit risk ordinarily should be lower for Bond ETF Fund that purchases only bonds that are issued by the U.S. Treasury or are of investment-grade quality. However, it is always possible that even U.S. Treasury debt can be downgraded, thus subjecting it to interest rate risk and income risk, in addition to Credit risk.
- *Sovereign debt risk*, which is the chance that the country issuing the debt will default. Going back historically, there is a litany of countries who have defaulted on their debt in the past. Given that it has happened in the past, we must assume that it may also happen in the future. A relatively recent example of Sovereign Debt problems are the countries that make up the acronym, "PIIGS." The countries with Sovereign Debt problems that this acronym represents are Portugal, Ireland, Italy, Greece and Spain. When a country loses its credit rating or it is discovered that they are having trouble paying their debt, then the price that they must pay investors (the interest rate) goes up and the price of these bonds, go down in value. See Credit Risk above.
- *Index sampling risk*, which is the chance that the securities selected for a Bond ETF Fund, in the aggregate, will not provide investment performance matching that of the Bond ETF Fund's target index. Index sampling risk is also known as "tracking risk," because it fails to accurately track the performance of the index it is following as an investment strategy.

## Exchange Risks

*Because ETF Shares are traded on an exchange, they are subject to additional risks:*

ETF Shares may be listed for trading on NYSE Arca and can be bought and sold on the secondary market (other Exchanges or Over-the-Counter) at market prices. Although it is expected that the market price of an ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV vary significantly. Thus, you may pay more than NAV when you buy ETF Shares on the secondary market, and you may receive less than NAV when you sell those shares.

Although ETF Shares may be listed for trading on NYSE Arca or other exchange, it is possible that an active trading market may not be maintained. An example of this phenomenon was the May 6, 2010 so-called "Flash Crash." On this date, solid quotes for several ETF's and listed stocks for that matter were difficult to come by because of various reasons, but some news reports attributed the Flash Crash to "stub quotes." A stub quote example is where the market maker puts out a Buy price of say \$45.25, but also puts out a Sell price of 0.01. Market makers are required to quote both a Buy and a Sell price. Obviously, they were thinking that no one in their right mind would sell at their one cent price. However, in a fast-moving market, stop loss orders become market orders once they move through the stop loss price. For example, an investor could have had a stop loss price of \$40.00. Therefore, like in this example, the Sell price was \$0.01, so these stop loss orders were executed at the next price which just so happened to be the stub quote price of \$0.01. The SEC stepped in and cancelled a lot of these trades that fell outside a 60% price movement range, but there was still



significant risk of principal loss for the trades that did not get cancelled. Our firm **does not** use stop loss orders for this very reason. However, if you as an investor place an order yourself without guidance and knowledge of this issue, then you could subject yourself to this kind of risk.

Trading of ETF Shares on NYSE Arca may be halted if NYSE Arca officials deem such action appropriate, if ETF Shares are delisted from NYSE Arca, or if the activation of market wide “circuit breakers” halts stock trading generally. In fact, the SEC has implemented a new rule because of the “Flash Crash” on May 6, 2010 that has these circuit breaker requirements. The fact that this is a relatively new rule, it is difficult to ascertain what will happen when another fast-moving market arrives. Therefore, this risk is hard to quantify, but nevertheless, we must assume this risk can negatively impact a portfolio.

### **ETF Funds are Not Guaranteed or Insured**

An investment in an ETF Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

### **Cybersecurity Risks**

MFS, ETF issuers, mutual fund issuers, banks and custodians are all subject to cybersecurity risks. Cybersecurity risks are those risks where the electronic information of these firms may become compromised by criminals. Unfortunately, it is not possible to be 100% secure from cybersecurity risks in today's environment. However, all these types of firms, including MFS do their best to ensure that cybersecurity risks are kept to an absolute minimum.

Our firm, MFS, uses two factor authentication, fingerprint identification and facial identification to access sensitive client data on our electronic devices (computers, tablets, and cell phones.) In addition, we have backup systems in place in the cloud that allow us to maintain backup copies of client data and allow us to continue to serve our clients even if our electronic devices were lost or stolen. These files stored in the cloud are encrypted.

Further, we utilize a secure email system that allows us to pre-screen the source of all emails without fear of any emails invading our computers. We are able to read emails as a .txt file, before we allow the email to go through. This allows us to see if it is a legitimate email or a dangerous one. **We monitor daily the sources of all emails.** Our secure email system allows us to **block emails permanently** from specific email addresses, specific domains (anydomain.com), top-level domains (.shop), country-based domains (.ru (Russia)), spoofed domains (belsouth.net - misspelled to make it look legitimate) and specific IP addresses (0.0.0.0) which often times are the true source of the phishing attempts. All of our secure email processing is time intensive, crucial to our business and we take it very seriously. We are confident in our controls that we have in place to protect our firm and clients, but we will review periodically and add new cybersecurity technology as protections improve in the future.

## **ITEM 9 - DISCIPLINARY INFORMATION**

### **A. DISCIPLINARY INFORMATION**

There are no disciplinary events that involve our firm, Marian Financial Services, Inc. or our principal officer Richard M. Allison.



## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### A. REGISTRATION AS A BROKER-DEALER OR BROKER-DEALER REPRESENTATIVE

MFS is not affiliated with any broker-dealer nor is our investment adviser representative, Mr. Allison.

### B. REGISTRATION RELATED TO COMMODITIES TRADING OR ADVISING

Neither MFS, nor its investment adviser representative, Mr. Allison is affiliated with any commodities firm or commodities exchange.

### C. REGISTRATION RELATIONSHIPS AND POSSIBLE CONFLICTS OF INTEREST

Charles Schwab & Co. Inc. is our primary custodian for client accounts. Altruist Financial, LLC and their clearing firm Apex Clearing Corporation is a secondary custodian for client accounts. Marian Financial Services, Inc. does not hold custody of client's accounts. Client accounts are held at Charles Schwab & Co. Inc. and their affiliate Charles Schwab Bank or at Altruist Financial, LLC and their custodian Apex Clearing Corporation.

Some 529 Accounts are held with Charles Schwab through their relationship with American Century Mutual Funds. All servicing for Schwab 529 plans is done through Charles Schwab's 529 Plan department. We currently do not charge any fees for Schwab 529 plans, but Schwab 529 plans do have fees that you can see by visiting [www.schwab.com/529](http://www.schwab.com/529). There are other 529 providers besides Schwab's 529 plans and this may constitute a conflict of interest.

Although there are other custodians in the investment advisory marketplace, we prefer to place our client's accounts primarily with Charles Schwab & Co. Inc. and secondarily with Altruist Financial, LLC. Schwab is the largest custodian for registered investment advisers in the marketplace and a well-known brand to consumers. Altruist Financial, LLC is a newer company, but was chosen by our firm because it appeals to younger clients. In addition, both firms offer a great web site for clients, zero commissions for trades, a broad suite of investments including mutual funds and ETF's that, all totaled, allows us to service our clients in an efficient manner, in our opinion. The fact that we use Altruist Financial, LLC and Charles Schwab & Co. Inc. as our custodians for our client accounts and do not use other custodians for our ETF Portfolios may constitute a conflict of interest. Other custodians may offer custodial services at the same or a lower cost. Clients are advised to consider this before doing business with our firm.

Through our relationship with Morningstar and their Managed Portfolios, we are able to offer an alternative custodian which is Fidelity Investments. Fidelity Investments is also a very well-known custodian for registered investment advisers. However, this option is only available if you choose a Morningstar Managed Portfolio. With Morningstar Managed Portfolios, you have a choice between Fidelity Investments or Charles Schwab & Co., Inc. Other qualified custodians are available through Morningstar Investment Services, but we do not offer these other qualified custodians. This may constitute a conflict of interest.

As part of an overall financial plan, Mr. Allison may recommend the purchase of insurance products through him and this would constitute a conflict of interest. Mr. Allison is a licensed insurance agent and if you place any insurance business through Mr. Allison, then this may constitute a conflict of interest since this



would be compensation over and above his compensation from Marian Financial Services, Inc. You are under no obligation to act upon Mr. Allison’s recommendation to purchase insurance products through him. You are free to effect any recommendation for the purchase of insurance products through an insurance agent of your own choosing.

As part of an overall financial plan, Mr. Allison may recommend the purchase or sale of real estate and this would constitute a conflict of interest. Mr. Allison is a licensed real estate agent with INI Realty Referral, Inc. and if you allow him to refer you to a real estate agent, broker, or real estate brokerage firm, then Mr. Allison may earn a referral fee. This may constitute a conflict of interest since this would be compensation over and above his compensation from Marian Financial Services, Inc. You are under no obligation to act upon Mr. Allison’s recommendation to refer you to INI Realty Referral, Inc. or any other real estate firm. You are free to effect any recommendation for the purchase or sale of real estate through a real agent of your own choosing.

As part of an overall financial plan, the fact that Mr. Allison receives compensation from the sale of insurance products or services and real estate purchase or sales referrals, then this means

- a) a conflict exists between your interests and the interests of Mr. Allison;
- b) you are under no obligation to act upon Mr. Allison’s recommendations; and
- c) if you elect to act on any recommendations, then you are under no obligation to effect the transaction through Mr. Allison.

#### D. SELECTION OF OTHER ADVISORS

For some client situations, we may recommend a Managed Portfolio from Morningstar Investment Services. We have a relationship with Morningstar Investment Services who offers various Managed Portfolios. Morningstar has their own fee schedule and our firm adds our fee on top of Morningstar’s fee. See Item 5. A. Fee Schedule above for more details about Morningstar’s fees.

When we select other advisors for our clients, we make sure that they are properly licensed and registered with the U.S. Securities and Exchange Commission (SEC). Morningstar Investment Services, LLC has a CRD # 8-53593 and an SEC # 801-60401. See <https://adviserinfo.sec.gov/firm/summary/112525> for verification of licensing.

### ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

#### A. CODE OF ETHICS

MFS has 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, Personal Securities Transactions, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. You may request to see our code of ethics. For a copy of the code of the Code of Ethics, please ask your financial advisor.



## B. RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS

MFS does not participate or have an interest in Client Transactions. We do not share profits or losses with clients. All fees earned by our custodians Altruist Financial, LLC (Apex Clearing Corporation), Charles Schwab & Co. Inc., or Fidelity Investments through our relationship with Morningstar Managed Portfolios is not shared with MFS.

## C. INVESTING PERSONAL MONEY IN THE SAME SECURITIES AS CLIENTS

From time to time, Mr. Allison of MFS may buy or sell securities for himself or family members that he also recommends to clients. These trades may be done prior to, at the same time, or after trades for other clients. However, we strive to avoid placing our interests above those of our clients with these trades.

## D. TRADING SECURITIES AT/AROUND THE SAME TIME AS CLIENTS' SECURITIES

If Mr. Allison places a trade for his own account (or family members) that is related to one of our ETF Model Portfolios, it is usually done at the same time as trading decisions are made for our clients. Because of this rule, we hope to remove any kind of favoritism for the personal trading of Mr. Allison or his family members as opposed to our clients. Some trades are based solely as a result of a new contribution to an account, and therefore are not in conflict with other clients.

# ITEM 12 - BROKERAGE PRACTICES

## A. FACTORS USED TO SELECT CUSTODIANS AND/OR BROKER-DEALERS

**The custodian and brokers we use.** Our firm does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We primarily recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian, but we also offer Fidelity Investments as an option through Morningstar Managed Portfolios and Apex Clearing Corporation through our relationship with Altruist Financial, LLC. We are independently owned and operated and are not affiliated with Apex, Altruist, Schwab, or Fidelity. Apex (Altruist), Schwab or Fidelity will hold your assets in a brokerage account and buy and sell securities when we or you instruct them to. While we recommend that you use Schwab as our primary custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Apex (Altruist) or Schwab, in certain instances, we may be able to use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

**Other brokers/custodians that we can recommend.** We can also accommodate clients who would rather have their accounts held at Fidelity Investments through our relationship with Morningstar Investment Services, Inc. Further, we also can accommodate clients who would prefer to have their accounts held at Altruist Financial, LLC and their clearing firm Apex Clearing Corporation.



**How we select brokers/custodians.** We seek to select a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

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

**Trading Aggregation and Best Execution.** We do not aggregate trades for client accounts, because there is no transaction cost to trade client accounts at Altruist or Schwab. Therefore, there is no advantage to aggregate trades for client accounts, since there is no impact on trading costs. It is very difficult to discern any loss to clients from best execution of trades through Altruist or Schwab. For example, when we purchase 37 shares of an ETF versus 100 shares of the same ETF. In prior years, before commission free trading, there may have been an advantage to trade in 100 share lots. However, Altruist and Schwab’s standard trading practices aggregates trades firm wide which allows our clients to benefit from odd share trades.

**Your brokerage and custody costs.** For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by earning fees in various ways from your Schwab account. See the Schwab Advisor Services Pricing Guide for more details. Altruist Financial, LLC does not charge clients a custody fee, either. See the Altruist Financial, LLC Pricing Guide for more details.

**Products and services available to us from Schwab.** Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

**Services that benefit you.** Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would



require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that may not directly benefit you.** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

**Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

**Our interest in Schwab's services.** The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. We may have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

### ***Brokerage for Client Referrals***

Altruist Financial, LLC or Charles Schwab & Co. Inc. does not provide client referrals to our firm.

### ***Directed Brokerage***

While acting as a fiduciary, MFS endeavors to act in its clients' best interests. MFS's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to MFS of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of



custody and brokerage services provided by Schwab, which may create a potential conflict of interest. By directing brokerage transactions through Charles Schwab & Co. Inc., our firm may not be able to achieve the most favorable execution of client transactions in comparison to competitors of Charles Schwab & Co. Inc. This practice of recommending Charles Schwab & Co. Inc. may potentially cost a client money due to the possibility that best execution for client transactions may be obtained at other custodians or competitors of Charles Schwab & Co. Inc.

## ITEM 13 - REVIEW OF ACCOUNTS

### A. FREQUENCY AND NATURE OF PERIODIC REVIEWS AND WHO MAKES THOSE REVIEWS

Richard M. Allison, CASL®, CFP®, CMFC®, RFC® is the *Portfolio Manager* and performs the review of client accounts. Informal reviews are conducted quarterly with Formal reviews conducted annually. The *Portfolio Manager* will also make changes to client's portfolios due to market conditions at his discretion without contacting the client in advance.

### 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 clients' financial situations such as retirement, termination of employment, physical move, or inheritance.

### C. CONTENT AND FREQUENCY OF REGULAR REPORTS PROVIDED TO CLIENTS

Clients will receive at least a quarterly statement of account from the custodian, Altruist Financial, LLC (Apex Clearing Corporation), Charles Schwab or Fidelity Investments. If there is enough activity to warrant a monthly statement, then the custodian may also provide a monthly statement to the client. Our firm offers some reporting on Charles Schwab accounts to help with client meetings and at tax time, but we found that most clients rely on the statements from Charles Schwab, therefore we no longer automatically provide quarterly account statements generated by our firm. We may still do so as a courtesy, however.

In addition, for clients of Morningstar Investment Services, they provide reports to clients. We do not provide account statements from accounts affiliated with Schwab or Fidelity as Morningstar Managed Portfolios provides those statements. We recommend that clients compare the statement from Charles Schwab, or Fidelity and Morningstar Investment Services to verify their accuracy.

**Note: Client statements provided by Apex Clearing Corporation (Altruist Financial, LLC,) Charles Schwab or Fidelity are the account statements to rely on for clients of MFS.**

## ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

### A. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS

MFS does not receive any economic benefits by third parties for advice rendered to our clients. However, our firm principal, Richard M. Allison may receive certain allowances, reimbursements or services such as airline or hotel discounts, meals including refreshments and special entertainment such as city tours



or musical guests for attending training events or promotional events sponsored by third party companies such as insurance companies, investment companies, other investment advisers or custodians.

See Item 12 for economic benefits provided by Charles Schwab & Co., Inc.

## B. COMPENSATION PAID TO SOLICITORS WHO REFER CLIENTS TO OUR FIRM

MFS does not have Solicitor agreements with other investment adviser representatives who refer clients to our firm.

## ITEM 15 - CUSTODY

MFS does not hold custody of its client's accounts other than to deduct our fees directly from client accounts if so authorized. Client accounts are held at Apex Clearing Corporation (Altruist Financial, LLC) or Charles Schwab & Co., Inc., both of whom meet the definition of a "qualified custodian." Clients will receive custodial statements directly from Apex Clearing Corporation (Altruist Financial, LLC) or Charles Schwab & Co., Inc. at least quarterly.

### **Morningstar Investment Services, Inc. - Managed Portfolios Program**

Morningstar provides a choice of qualified custodians which are BNY Mellon (Pershing), Charles Schwab & Co, Inc., Fidelity Investments, Inc. and TD Ameritrade. However, MFS only uses Charles Schwab & Co., Inc. and Fidelity Investments. We do not currently use BNY Mellon (Pershing) or TD Ameritrade as an option at this time for clients we refer to Morningstar but reserve the right to do so in the future. Please refer to the Morningstar Investment Services, Inc. disclosure documents for more information about these qualified custodians.

### **California Code of Regulations Section 260.237. Custody or Possession of Funds or Securities of Clients. Item (b) Exceptions (3) Fee Deduction.**

Notwithstanding paragraph (a)(6) of this section, an investment adviser is not required to obtain an independent verification of client funds and securities maintained by a qualified custodian, and will not be required to meet the custodial requirements set forth in Section 260.237.2 and Section 260.241.2 of these rules if all of the following are met:

(A) The investment adviser has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.

(B) The investment adviser has written authorization from the client to deduct advisory fees from the account held with the qualified custodian.

(C) Each time a fee is directly deducted from a client account, the investment adviser concurrently:

1. Sends the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and

2. Sends the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.

(D) The investment adviser notifies the [California] Commissioner in writing that the investment adviser intends to use the safeguards provided in this paragraph (b)(3). Such notification is required to be given on Form ADV.



## ITEM 16 - INVESTMENT DISCRETION

MFS is a discretionary investment manager. This means that we do not have to consult you before we make trades on your behalf. Our discretionary authority extends to the security chosen and the timing, amount and number of shares purchased or sold. Initially however, we do consult you as to which positions to maintain and which positions can be sold.

## ITEM 17 - VOTING CLIENT SECURITIES

### A. PROXY VOTING

MFS does not vote client securities. We feel it is in a client's best interest to receive their own proxy materials and vote as they wish. 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 or custodian. When we refer clients to Morningstar Investment Services, Inc., then this means that their policies and procedures determine proxy voting. See their disclosure documents for more details about how they handle proxy voting.

### B. AUTHORITY

MFS does not vote client securities and even if a client *inadvertently* grants our firm authority to vote proxies on their behalf, we will not do so no matter what. MFS does not have authority to vote client securities for clients referred to Morningstar Investment Services, Inc.

## ITEM 18 - FINANCIAL INFORMATION

### A. BALANCE SHEET

MFS neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### B. FINANCIAL CONDITIONS RELATED TO CUSTODY AND DISCRETION

This is not applicable to MFS since we do not have custody of client accounts other than to deduct our management fees directly from client accounts.

Our firm does not have any debt or financial conditions that would preclude us from meeting our contractual commitments to clients.

### C. BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS

Neither MFS nor its principal, Richard M. Allison (or the former Richard Allison Johnson) have been the subject of a bankruptcy petition in the last ten years.

**A. MANAGEMENT PERSONS EDUCATION AND BUSINESS BACKGROUND**

The principal officer for MFS is Richard M. Allison. Mr. Allison is the President and Chief Compliance Officer for the firm. Information about Mr. Allison education and business background can be found in his Form ADV 2B brochure supplement which is provided to clients.

**B. OTHER BUSINESS ACTIVITIES OF THE PRINCIPAL OFFICERS AND ADVISERS**

Mr. Allison is the only officer of our firm and only investment adviser representative. Information about Mr. Allison and his other businesses can be found in his Form ADV 2B brochure supplements which is provided to clients.

**C. CALCULATION OF PERFORMANCE BASED FEES AND DEGREE OF RISK TO CLIENTS**

Our firm is not compensated for advisory services with performance-based fees.

**D. MATERIAL DISCIPLINARY DISCLOSURES FOR MANAGEMENT PERSONS OF THIS FIRM**

There are no disciplinary events that involve our firm, Marian Financial Services, Inc. or our principal officer, Richard M. Allison.

**E. MATERIAL RELATIONSHIPS THAT THE PRINCIPALS HAVE WITH ISSUERS OF SECURITIES**

There are no material relationships that the principals have with the issuers of any securities.

## Form ADV 2B - Brochure Supplement

### Richard Mark Allison - CRD# 1813496

This brochure supplement provides information about Richard Mark Allison that supplements the Marian Financial Services, Inc. Form ADV Part 2A brochure. You should have received a copy of that brochure. Please contact Richard Mark Allison if you did not receive Marian Financial Services, Inc.'s brochure or if you have any questions about the contents of this supplement.

Please note that information about our investment adviser firm and investment adviser representatives are found in three different locations. 1) at the SEC's web site located at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). 2) at [investor.gov/CRS](http://investor.gov/CRS) and 3) at [brokercheck.finra.org](http://brokercheck.finra.org). Our firm **is not** affiliated with a broker-dealer, nor do we have any registered representatives. We are a Registered Investment Adviser.

Registration as a Registered Investment Adviser does not imply a certain level of skill or training. A Registered Investment Adviser refers to the firm itself, not any person.

*For further information about this Brochure Supplement contact:*

Richard M. Allison  
Residential Home Office  
109 Velvetleaf Drive  
St. Johns, FL 32259-4489  
Phone (904) 460-2700  
<http://www.marianfs.com>  
[rick@marianfs.com](mailto:rick@marianfs.com)

## Item 2 - Education & Experience Background

### NAME:

- Richard Mark Allison, President, Chief Compliance Officer & Portfolio Manager
- Formerly known as Richard Allison Johnson
  - Voluntarily restored birth name to Richard Mark Allison in 2019
- *Born: 1956*

### EDUCATION BACKGROUND:

- University of Arkansas at Little Rock (UALR) -Bachelor of Arts in Criminal Justice - Personal Finance Minor awarded May 13<sup>th</sup>, 2017
- Attended the University of North Florida 2016-2017

### FINANCIAL DESIGNATIONS:

- Certified Financial Planner® – 1992
- Chartered Mutual Fund Counselor® – 1998
- Chartered Advisor for Senior Living® – 2005

### BUSINESS BACKGROUND:

- Marian Financial Services, Inc. - President, CCO & Investment Adviser - 2008 - Present
- RIA Rules, LLC – Principal/Managing Member - 2004 – Present
  - *Ria Rules, LLC was formerly known as First Coast Planning, LLC. First Coast Planning LLC changed its name to RIA Rules, LLC in 2020.*
  - *First Coast Planning LLC was formerly known as Rick Johnson Family Office LLC from 2004 to 2015.*
- INI Realty Referral, Inc. – Real Estate Sales Associate – 2017 - Present
- INI Realty Investments, Inc. – Real Estate Sales Associate – 2013 – 2016

### MINIMUM QUALIFICATIONS FOR FINANCIAL DESIGNATIONS

#### CFP® - CERTIFIED FINANCIAL PLANNER™ DESIGNATION

The CFP® is granted by the Certified Financial Planner Board of Standards.

Mr. Allison earned the CFP® License on 12/1/1992. His License number is 045467.

The requirements for obtaining and maintaining the CFP® designation is granted by the Certified Financial Planner Board of Standards. Their website is located at <http://www.cfp.net>. A synopsis of the requirements to obtain the CFP® designation is as follows:

#### A) EDUCATION REQUIREMENT

Before applying for the CFP® Certification Examination, you need to complete the education requirements set by CFP Board. You can fulfill the education requirement through one of three paths:

- 1) Complete a CFP Board-Registered Education Program
- 2) Apply for Challenge Status
- 3) Request a Transcript Review

#### B) BACHELOR'S DEGREE REQUIREMENT

A bachelor's degree (or higher), or its equivalent, in any discipline, from an accredited college or university<sup>1</sup> is required to attain CFP® certification. The bachelor's degree requirement for the CFP® certification became effective March 1, 2007. At the time, Mr. Allison (formerly Mr. Johnson) was granted the CFP® designation, there was not a bachelor's degree requirement in effect. However, he has earned his bachelor's degree as of May 13<sup>th</sup>, 2017. He holds a Bachelor of Arts in Criminal Justice with a Personal Finance Minor from the University of Arkansas-Little Rock.

<sup>1</sup> An "accredited college or university" is one that has been accredited by an accreditation body recognized by the U.S. Department of Education. To confirm a school's accreditation please visit the [Department of Education's Web site](http://ope.ed.gov/accreditation/Search.aspx) ([ope.ed.gov/accreditation/Search.aspx](http://ope.ed.gov/accreditation/Search.aspx)).

#### C) PASS THE CFP® CERTIFICATION EXAMINATION

The CFP® Certification Examination tests your ability to apply your financial planning knowledge to client situations. The 10-hour exam is divided into three separate sessions. Because of the integrated nature of financial planning, however, each session may cover all topic areas. All questions are multiple choice, including those questions related to case problems.

At the time, he studied for the CFP® designation, there were six individual three-hour exams that he had to pass, 18 hours total, instead of the 10-hour examination that is in effect today. In addition, each test included essay and multiple-choice questions as opposed to today where it is all multiple-choice questions. He completed all six exams consecutively without fail over a two-year period and was granted the CFP® designation and license on December 1, 1992. Each course was considered 3 hours of college equivalent credit or 18 hours total.

The course curriculum that he took was based on these six areas of study:

- Estate Planning
- Retirement Planning
- Insurance Planning & Risk Management
- Investment Planning
- General Principles of Financial Planning
- Tax Planning

#### D) MEET THE EXPERIENCE REQUIREMENT

At least three years of qualifying full-time work experience are required for certification. Qualifying experience includes work that can be categorized into one of the six primary elements of the personal financial planning process. Experience can be gained in many ways including:

- The delivery of all, or of any portion, of the personal financial planning process to a client.
- The direct support or supervision of individuals who deliver all, or any portion, of the personal financial planning process to a client.
- Teaching all or any portion of the personal financial planning process.

He obtained his life insurance license in 1984 and his securities licenses in 1988. He qualified for the three years of full-time work experience prior to obtaining his certification in 1992.

#### E) PASS CANDIDATE FITNESS STANDARDS AND BACKGROUND CHECK

Applicants for CFP® certification must pass CFP Board's *Candidate Fitness Standards*, which describe conduct that will or may bar an individual from being certified. After you have met the education, examination and work experience requirements, you must disclose past or pending litigation or agency proceedings and agree to abide by CFP Board's *Code of Ethics and Professional Responsibility, Rules of Conduct and Financial Planning Practice Standards*. A background check will also be conducted.

He passed the initial background check and met the CFP Board's Candidate Fitness Standards and continues to meet these standards today. He will gladly have his fingerprints taken and submit them to the FBI and then have the results mailed to any client who requests them.

#### F) PAY CERTIFICATION FEES

Upon successfully completing the first three steps, fees will apply as follows:

- A one-time, non-refundable initial certification application fee of \$150 for the background checks as noted above.
- An annual certification fee (subject to change by the CFP® Board.)
- He has paid the required fees to maintain his CFP® certification continuously since it was first granted on December 1, 1992.



**CERTIFIED FINANCIAL PLANNER™**

#### G) AUTHORIZATION TO USE THE CFP®, CERTIFIED FINANCIAL PLANNER™ AND MARKS.

He received his authorization to use the CFP® Designation and mark on December 1, 1992. To maintain the CFP® designation, he must complete 30 hours of Continuing Education in the field of Financial Planning every two years. He has continuously complied with the 30 hours

of Continuing Education requirement each reporting period since he first earned the right to use the CFP® mark.

Verification that Mr. Allison does indeed hold the CFP® Designation as claimed in this document can be obtained by visiting the Certified Financial Planner Board of Standards web site at [www.cfp.net](http://www.cfp.net) or by calling 800-487-1497.

## CASL® - CHARTERED ADVISOR FOR SENIOR LIVING®

The CASL® is granted by The American College of Financial Services, Bryn Mawr, Pennsylvania.

He was granted the CASL® designation on August 1, 2005.

A CASL® (Chartered Advisor for Senior Living™) is a financial services professional who is uniquely qualified to work with mature clients and those planning for retirement. A CASL® has the specific knowledge and experience to enhance the quality of your later years by assisting you with important investment, health insurance, retirement and estate planning decisions. A CASL® can provide guidance and assistance on a broad range of financial and senior lifestyle topics including:

- Saving for retirement
- Structuring distributions from pensions, 401(k)s, 403(b)s, IRAs, and Social Security
- Planning for health and long-term care needs
- Developing effective estate planning strategies

### A) EXPERIENCE

The experience requirement for the CASL® designation may be satisfied by EITHER of the following:

- Achieving the experience requirements for The College's CLU®, ChFC®, RHU®, REBC®, and CLF® designations, OR
- Advising clients on financial and/or practical matters relating to their retirement years or on issues dealing with aging for at least three of the five years preceding the awarding of the designation. The same rules for part-time qualifying experience count for this type of work experience as count toward the CLU® and ChFC® designations.

### B) CODE OF ETHICS

Each designee will be required to adhere to The American College's Code of Ethics and Procedures. Embodied in the Code are the Professional Pledge and the eight Canons.

### C) CONTINUING EDUCATION

Each designee must complete 15 hours of continuing education every two years with the additional condition that at least 10 of these hours should be in course work directly related to the course work required to obtain this designation. The CE requirements for the CASL® designation are administered by the PACE Recertification Program.

The CASL® designation has five required courses which are:

- HS 328 Investments
- HS 330 Fundamentals of Estate Planning
- HS 350 Understanding the Older Client
- HS 351 Health and Long-Term Care Financing for Seniors
- HS 352 Financial Decisions for Retirement

Each CASL course is considered 3 hours of college equivalent credit or 15 hours total.

*Note:* The CASL® designation is considered a legacy designation by The American College meaning that it is no longer offered. Current CASL® designation holders may maintain their CASL® designation by paying their fee to The American College and continuing to fulfill the ethics and continuing education requirements each reporting period.

#### CMFC® - CHARTERED MUTUAL FUND COUNSELOR® DESIGNATION

The CMFC® is granted by the College for Financial Planning.

He was granted the CMFC® Designation on March 2, 1998.

The CMFC Program is the only industry-recognized mutual fund designation. It is the result of collaboration between the College for Financial Planning® and the Investment Company Institute (ICI), the primary trade association for the mutual fund industry. The program's quality and thoroughness reflect the combined experience and expertise of the College and the ICI.

This program provides you with a thorough knowledge of mutual funds and their various uses as investment vehicles. As a graduate of the program, you can approach mutual funds with a new understanding and confidence, as well as having the ability to communicate that confidence to your clients.

#### A) REQUIREMENTS

The College for Financial Planning® awards the CHARTERED MUTUAL FUND COUNSELOR<sup>SM</sup> AND CMFC® designation to students who successfully complete the program must;

- Pass the final examination; and
- Comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.
- Students must sign and return the Code of Ethics forms within six months of passing the final exam. Failure to complete and submit the forms within this time frame may result in termination of the individual's candidacy. If an individual wishes to apply for

authorization to use the Marks in the future, he or she may be required to fulfill the initial designation requirements in place at the time of passing the exam.

- Successful students receive a certificate and are granted the right to use the designation on correspondence and business cards for a two-year period.

#### B) CONTINUED USE

Continued use of the CMFC® designation is subject to ongoing renewal requirements.

Every two years individuals must renew their right to continue using the CMFC® designation by:

- Completing 16 hours of continuing education;
- Reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self-disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct; and
- Paying a biennial renewal fee of \$95.

#### C) CHARTERED MUTUAL FUND COUNSELOR® COURSE CURRICULUM:

- Introduction to Mutual Funds
- Open & Closed End Funds: Types & Characteristics
- Other Packaged Investment Products
- Risk/Return: Part I
- Risk/Return: Part II
- Asset Allocation
- Selecting a Mutual Fund for a Client
- Retirement Planning
- Ethics, Integrity & Professional Conduct

### Item 3 - Disciplinary Information

Mr. Allison has a clean insurance, securities and investment adviser background history and therefore he has no disciplinary information on his record pertaining to any licenses and or designations that he has held in the past or currently holds today in Florida or any other state.

Additional information about Richard Mark Allison is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 4 - Other Business Activities

#### RIA RULES, LLC

Richard Mark Allison owns 100% of RIA Rules, LLC (non-investment related) which is a firm where he conducts his compliance consulting activities for other Registered Investment Adviser firms. His web site is located at: <http://www.riarules.com>.

Mr. Allison spends about 10 - 20% of his time working for RIA Rules, LLC and about 80 - 90% of his time working for Marian Financial Services, Inc. RIA Rules, LLC was formerly known as First Coast Planning from March 2015 until February 2020. First Coast Planning, LLC was formerly known as Rick Johnson Family Office LLC from August of 2004 until March of 2015. RIA Rules, LLC is not affiliated with Marian Financial Services, Inc. However, both firms are owned 100% by Mr. Allison.

#### INI REALTY REFERRAL, INC.



Mr. Allison is a real estate sales associate licensed with INI Realty Referral, Inc. located at 3603 Cardinal Point Dr., Jacksonville, FL 32257. Their web site is located at <http://www.inirealtyinvestments.com>. INI Realty Referral, Inc. has no affiliation with Marian Financial Services, Inc.

From time to time, Mr. Allison runs across clients and prospects who may be selling their real estate or looking to buy real estate, including businesses. He seeks to assist anyone who needs help with these activities. He will earn a split of the standard real estate commission for this activity. He spends less than 5% of his time in this activity.

#### INSURANCE AGENT

Mr. Allison may as a part of an overall financial plan recommend insurance products that pay commissions. He will earn the standard insurance company commissions for these activities as any Florida 2-15 agent would earn. He spends less than 5% of his time in this activity.

#### CONFLICT OF INTEREST STATEMENT

Mr. Allison as part of an overall financial plan may recommend that clients purchase insurance or real estate products or services from Mr. Allison. Clients should understand that a conflict exists between your interests and the interests of Mr. Allison. Clients are under no obligation to act upon Mr. Allison's recommendation, or to effect the recommended transaction through Mr. Allison.

As part of an overall financial plan, the fact that Mr. Allison receives compensation from the sale of insurance products or services and real estate purchase or sales referrals, then this means a) a conflict exists between your interests and the interests of Mr. Allison; b) you are under no obligation to act upon Mr. Allison's recommendations; and c) if you elect to act on any recommendations, then you are under no obligation to effect the transaction through Mr. Allison.

## Item 5 - Additional Compensation

#### 401(K) COMPENSATION

Mr. Allison receives a 401(k) employer matching contribution plus a discretionary profit-sharing contribution in addition to his salary for his efforts in running the firm. He is not paid per new client account for investment management services.

## Item 6 - Supervision

Mr. Allison is a 100% owner of Marian Financial Services, Inc. and is self-supervised.

## Item 7 - Additional Disclosure Requirements for State-Registered Advisers

### A. DISCIPLINARY INFORMATION

See Item 3 above.

### B. BANKRUPTCY INFORMATION

Mr. Allison (or under his former name, Richard Allison Johnson) has never declared bankruptcy.

**FACTS** WHAT DOES MARIAN FINANCIAL SERVICES, INC. DO WITH YOUR PERSONAL INFORMATION?

<b>Why?</b>	Financial companies can choose how they share your personal information. Federal law gives consumers the right to limit some, but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.  As necessary, we seek certain personal information about you to provide you with investment advice and other administrative services. In addition, we utilize this information to perform such activities as setting up new accounts, sending program documents, and responding to your inquiries. By using our services, you consent to the collection and use of your personal information and any related information in the manner described in this document.
<b>What?</b>	The types of personal information we collect depends on the product or service you and/or your financial advisor (singly and collectively, "You") receive from us. This information may include, but is not limited to: <ul style="list-style-type: none"> <li>▶ Your name, address, phone number, and email address</li> <li>▶ Your social security number or other unique identifier</li> <li>▶ Your account information, such as account balance, contributions, etc.</li> <li>▶ Your demographic information, such as age, income, investment preferences, etc.</li> </ul> We may share some of this data in order to conduct our everyday business. We will not disclose any nonpublic, personal information about our former clients to anyone, except as required by law.
<b>How?</b>	All financial companies need to share clients' personal information to run their everyday business. In the section below, we list the reasons financial companies can share personal information; the reasons we choose to share; and whether you can limit this sharing.

Reasons financial companies can share your personal information	Do we share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations	Yes. See "Other important information" below.	No
For our marketing purposes—to offer our products and services	Yes. See "Other important information" below.	No
For joint marketing with other financial companies	Yes. See "Other important information" below.	N/A
For our affiliates' everyday business purposes—information about your transactions and experiences	No	N/A
For our affiliates' everyday business purposes—information about your creditworthiness	No	N/A
For our affiliates to market to you	No	N/A
For nonaffiliates to market to you	No	N/A
For our research purposes	Yes. See "Other important information" below.	No

<b>What we do</b>	
<b>How do we protect your personal information?</b>	We have put appropriate security measures in place to protect against unauthorized access to, or unauthorized alteration, disclosure or destruction of personal information. These measures include internal reviews of our data collection, storage and processing practices and security measures, as well as physical security measures to guard against unauthorized access to systems where we store personal data. We operate secure data networks protected by industry standard firewall and password protection systems. Our security and privacy policies are periodically reviewed and enhanced as necessary and only authorized individuals have access to the information provided.
<b>How do we collect your personal information?</b>	The personal information we collect may be obtained from a variety of sources, such as: <ul style="list-style-type: none"> <li>▶ from You when accessing our services directly (e.g., via the Internet)</li> <li>▶ from Your financial advisor (e.g., when completing a proposal/application)</li> <li>▶ from Your employer or an agent of your employer (e.g., plan recordkeeper, plan service providers, etc.)</li> </ul>
<b>Why you can't limit sharing?</b>	Federal law only gives you the right to limit: <ul style="list-style-type: none"> <li>▶ sharing for affiliates' everyday business purposes — information about your creditworthiness</li> <li>▶ affiliates from using your information to market to you</li> <li>▶ sharing for nonaffiliates to market to you. State laws and individual companies' policies may give you additional rights to limit sharing.</li> </ul>

<b>Definitions</b>	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>▶ Our affiliates include RIA Rules, LLC because it is owned by Richard Mark Allison, although the two companies are not affiliated otherwise.</li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>▶ Marian Financial Services, Inc. does not share your personal information with nonaffiliates for the purpose of their marketing their services to you.</li> </ul>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>▶ Morningstar Investment Services enters into an agreement with Marian Financial Services, Inc. to offer their Managed Portfolios program to you. Through this arrangement, we may share your personal information for joint marketing activities with Morningstar Investment Services.</li> </ul>

**Other important information**  
**Reasons financial companies can share your personal information** We will not make your personal information available to anyone outside of Marian Financial Services, Inc. and Morningstar Investment Services and its affiliates—except as described above, when instructed by You or where required to comply with law. Please note, however, that there are some exceptions to this policy. First, service providers may have access to your personal information to perform contractually specified services on behalf of Morningstar Investment Services or You like Charles Schwab & Co., Inc. or Fidelity Investments. Second, our Financial Planning software firm, Right Capital may have access to your personal information in order to provide its financial planning platform to your financial advisor. Third, if You indicate that You are interested in receiving information about a particular third party's products/services, or opt to receive certain products or services through us, we may provide your personal information to that third party for purposes of fulfilling your request/s. We will not sell your personal information to anyone and will only disclose information as permitted by Regulation S-P, to unaffiliated organizations that provide services relating to maintaining or servicing your account, such as your record keeper or retirement account service provider.

We reserve the right to change this policy at any time by distributing and/or posting a new privacy policy without notice. We encourage you to review our privacy policy on a regular basis so that you are aware of any changes. In addition, as required by Regulation S-P, we will distribute our privacy policy to you at least once per year.

**Your Consent** By being part of our program, you consent to the collection and use of your personal information and any related information in the manner described in this Privacy Policy.

<b>Questions?</b>	At Marian Financial Services, Inc. we want to make your experience with us satisfying and safe. Your privacy is very important to us. If you have further questions, contact us at rick@marianfs.com.
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