



Financial Services Advisory  
GROW WISER.®

# DISCLOSURE BROCHURE

THE INVESTMENT ADVISERS ACT OF 1940 RULE 203-1  
**Part 2A of Form ADV: Firm Brochure**

SEC File #: 801-18801  
Firm IARD/CRD #: 104513

Financial Services Advisory  
REGISTERED INVESTMENT ADVISOR

Cover Page **ITEM 1**

This Disclosure Brochure provides information about the qualifications and business practices of Financial Services Advisory which should be considered before becoming a client. You are welcome to contact us should you have any questions about the contents of this brochure; our contact information is listed to the right. Additional information about Financial Services Advisory is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities administrator. Furthermore, the term "registered investment advisor" is not intended to imply that Financial Services Advisory has attained a certain level of skill or training.

#### MAIN OFFICE

One Church Street, Suite 901  
Rockville, Maryland 20850

#### FLORIDA OFFICE

5237 Summerlin Commons Blvd.  
Fort Myers, Florida 33907

#### CONTACT INFORMATION

800.235.4567  
301.949.7300  
Fax: 301.949.7034

[www.FSAinvest.com](http://www.FSAinvest.com)  
[questions@FSAinvest.com](mailto:questions@FSAinvest.com)

BROCHURE  
DATED

**15**  
**JANUARY**  
**2020**



## MATERIAL CHANGES

---

ITEM 2

There are no material changes to report. This Disclosure Brochure has been reviewed and is current as of the date indicated on the cover.

**QUESTIONS:** Our Chief Compliance Officer, David Petersen, is available to address any questions that you may have regarding any services, conflicts of interest and/or disclosures made in this Disclosure Brochure.

**TABLE OF CONTENTS**ITEM  
3

ITEM 1	Cover Page	1
ITEM 2	Material Changes	2
ITEM 3	Table of Contents	3
ITEM 4	Advisory Business	4
ITEM 5	Fees and Compensation	6
ITEM 6	Performance-Based Fees and Side-By-Side Management	8
ITEM 7	Types of Clients	8
ITEM 8	Methods of Analysis, Investment Strategies and Risk of Loss	9
ITEM 9	Disciplinary Information	11
ITEM 10	Other Financial Industry Activities and Affiliations	11
ITEM 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
ITEM 12	Brokerage Practices	13
ITEM 13	Review of Accounts	15
ITEM 14	Client Referrals and Other Compensation	15
ITEM 15	Custody	18
ITEM 16	Investment Discretion	19
ITEM 17	Voting Client Securities	19
ITEM 18	Financial Information	19



## ADVISORY BUSINESS

### Who We Are

Financial Services Advisory (hereinafter referred to as “FSA,” “the Advisor,” “we,” “us” and “our”) is a fee-only registered investment advisor<sup>1</sup> incorporated in 1982 as a Maryland corporation. As a fiduciary, we put your interests first as we help you achieve your financial goals. We provide asset management and financial planning services<sup>2</sup> for individuals, business owners, foundations, trusts, IRAs and other retirement plans.

#### Owners

The following persons control FSA:

Name	Title	CRD#
David R. Petersen	Chief Compliance Officer and Founding Partner	716333
James E. Joseph	President	2943563
Ronald J. Rough	Director of Portfolio Management	2083110

#### Assets Under Management

As of December 31, 2019, our assets under management totaled:

Client Discretionary Managed Accounts ..... \$645,980,603

We do not offer non-discretionary asset management services.

### Our Mission

Our mission is to be an indispensable financial partner with every client we serve.

### What We Do

We assist you in achieving financial security in an insecure world. As part of our process, we help you establish and develop realistic goals and implement an active-system of asset management and, when requested, provide limited financial planning as it relates to goal development, retirement planning, investment allocation, education planning and basic tax and estate planning needs. Our asset management services are designed to increase your portfolio value during rising markets and use our exit strategy called FSA Safety Net<sup>®</sup> to help reduce losses during sustained downward trends (see Item 8, “Managing Risk”).

<sup>1</sup> The term “registered investment advisor” is not intended to imply that Financial Services Advisory has attained a certain level of skill or training. It is used strictly to reference the fact that we are “registered” as a licensed “investment advisor” with the United States Securities & Exchange Commission and “Notice Filed” with such other state regulatory agencies that may have limited regulatory jurisdiction over our business practices.

<sup>2</sup> Financial Services Advisory is a fiduciary, as defined within the meaning of the Employer Retirement Income Security Act of 1974 (“ERISA”) and/or as defined under the Internal Revenue Code of 1986 (the “Code”) for any asset management and financial planning services provided to a client who is: (i) a plan participant or beneficiary of a retirement plan subject to ERISA or as described under the Code or (ii) the beneficial owner of an Individual Retirement Account (“IRA”).

## Getting Started

Managing your money is more than just buying or selling investments - it's about understanding your goals and motivations and how your investments support them. So, before we get started actively managing your portfolio, we need to understand your financial picture.

To accomplish this, we have a four-step process for bringing new clients on-board that makes the transition smooth and stress-free.

### Step 1 - "Get to Know You Meeting"

Our first session gives us the opportunity to get to know each other. We do an assessment of where you are and where you want to be. We ask you to complete our Client Profile and Agreement<sup>3</sup> so we can more fully understand your current financial situation, including your prior investment experience and tolerance for risk. We listen to your concerns, ask lots of questions and begin to formulate a strategy to address your goals and needs.

### Step 2 - "The Transition"

Once we understand where you are and where you want to go, this next step involves a deeper analysis of your retirement goals and finances - including investments. You will complete our Client Profile and Agreement. Any analysis we provide helps us better assist you in meeting your goals and managing your investment portfolio. We will help determine what (if anything) is needed to prepare for the transition of working together. Charles Schwab & Co., Inc. (Schwab), our recommended custodian for your investment assets, can accept most securities from other firms.

### Step 3 - "Moving Forward"

After all accounts are opened and assets are in place at Schwab, we begin management utilizing the FSA Safety Net<sup>®</sup> system. Throughout the course of the year, expect to receive various communications from us in addition to the monthly account statements from Schwab:

- ❖ Quarterly Financial Planning Newsletter
- ❖ Periodic market updates
- ❖ Periodic reviews of your accounts and planning goals
- ❖ Webinar invitations to hear and see what we're thinking and doing

### Step 4 - "Peace of Mind"

The goal of this final step is to hear you confidently say, *"I'm glad I don't have to worry about it anymore."* Working together, your accounts are now actively managed to make money during good cycles and preserving gains when price trends reverse to help achieve your financial goals.

During each review meeting, we take the opportunity to review your investment portfolio in light of your current needs as well as any additional financial items you may wish to discuss.

<sup>3</sup> The Client Profile and Agreement we use is an important tool in gathering information about your investment experience, risk tolerance, income/tax bracket, liquidity, time horizons, etc. If you elect not to answer the questionnaire or choose to respond with limited input, it is possible that we could operate in a handicapped capacity contrary to your investment needs. Therefore, if you desire the most effective and accurate recommendations regarding your managed account(s), you should make every effort to provide us with your detailed personal needs and objectives, along with financial and tax information.



## FEES AND COMPENSATION

### Asset Management Fee

Asset management is provided on an asset-based fee arrangement. Management fees are calculated by taking the aggregate fair market value of your portfolio multiplied by one-fourth the corresponding annual fee rate for each portion of your portfolio assets that fall within each tier. (See “Billing” below under “Protocols for Asset Management Services” for more information.)

We retain discretion to reduce the management fee on a client-to-client basis depending on anticipated future earning capacity, anticipated future asset additions, related accounts, account composition and the size of the portfolio to be managed. The tier breaks are as follows:

Account Value	Annual Fee Rate Not to Exceed
First \$ 500,000.....	1.25%
Next \$1,000,000 .....	1.00%
Next \$3,500,000 .....	0.75%
Over \$5,000,000 .....	0.65%

The asset management fee will be fully disclosed to you in our Client Profile and Agreement prior to conducting any asset management services.

### Protocols for Asset Management Services

The following protocols establish how we will handle your managed account(s) and what you should expect when it comes to: (i) managing your account, (ii) your bill for investment services, (iii) deposits and withdrawals in/from your account(s) and (iv) other fees charged to your account(s).

#### Discretion

We will establish discretionary trading authority on all managed accounts to execute securities transactions at any time according to the agreed upon investment strategy(ies) and without your prior consent or advice.

At any time you may impose reasonable restrictions, in writing, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse or leveraged relationship to the market, etc.).

#### Billing

Your account will be billed quarterly in advance based on the aggregate fair market value of the assets in your account on March 31, June 30, September 30 and December 31. Our management fee will be a blended percentage based on your total assets that fall within each tier of our fee schedule. For example:



Account Value: \$2,000,000	Annual Fee % (Per Tier)	Annual Fee (Billed per Tier)
First \$ 500,000	1.25%	\$ 6,250
Next \$1,000,000	1.00%	\$10,000
Next \$ 500,000	0.75%	\$ 3,750
<b>Total Annual Fee:</b>		<b>\$20,000</b>

For new accounts, asset management fees are prorated from inception through the end of the quarterly billing period. Fees will be deducted first from any money market funds or cash balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees.

### Fee Exclusions

The above fees for all our management services are exclusive of any charges imposed by the custodial firm including, but not limited to, (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges including postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in your managed account. There can also be other fees charged to your account that are unaffiliated with our management services.

Most mutual funds are available directly to the public. Thus, you can obtain many of the mutual funds we may recommend and/or utilize in our managed accounts independently from any engagement with us, as we manage your assets and charge a management fee. However, if you choose to do so, you will not receive our initial and ongoing investment advisory services. In addition, all fees paid to us for portfolio management services are separate from any fees and expenses charged on mutual fund shares by the investment company or by the investment advisor managing the mutual fund portfolios. These expenses, which we do not share in, generally include management fees and various fund expenses, such as 12b-1 fees. Redemption fees, account fees, purchase fees, contingent deferred sales charges and other sales load charges may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. You are encouraged to carefully read the fund prospectus.

For more information on the custodial firm we recommend custody your portfolio account(s), see Item 12, "Brokerage Practices."

### Termination of Asset Management Services

Either party, by written notification to the other party, may terminate the Client Profile and Agreement at any time provided such written notification is received before the close of business on any business day of the week. Such notification should include the date the termination will go into effect, if not immediate, along with any final instructions on the account.

Once termination of investment advisory services has been implemented, neither party has any obligation to the other; we no longer earn management fees or give investment advice, and you become responsible for making all future investment decisions. In the event the written notice of termination does not fall on the last day of a calendar quarter, we will refund any unearned fees.



## Financial Planning and Consulting Fees

We generally do not charge our asset management clients an additional fee for requested financial planning services unless the services exceed the focus of our limited scope of planning within our Client Profile and Agreement. Should additional planning needs be evident, we will have you enter a separate Financial Planning and Consulting Agreement outlining the terms, conditions and scope of services provided. This separate agreement can be terminated at any time.

Additional or separate financial planning and consulting fees are negotiable and disclosed upfront and can be either a flat fee or an hourly rate ranging from \$150 to \$450 per hour depending upon the level and scope of service required and the professional(s) rendering the service(s). All fees are due upon completion of the financial analysis.

We do not verify any information obtained from you or your attorney, accountant or other professionals, including information from custodial/investment statements. You are under no obligation to implement any of our recommendations.

We are not a law firm, accounting firm or an insurance agency, and no portion of our services should be construed as comprehensive financial planning or legal, insurance or accounting advice. Rather, you should seek the advice of your attorney, insurance agent, accountant or other corresponding professional advisor with respect to such issues.

We provide you with access to certain online aggregation or financial planning applications/platforms (Platforms) that allow you to view your financial information including Held-Away Assets (see “Held-Away Assets,” Item 14, “Client Referrals and Other Compensation”) that are not managed by us. All information is for the purpose of reporting/consolidating assets and liabilities, and all such information shall be subject to the terms and conditions of the “Held-Away Assets” section of your agreement with us. Access to the Platforms is for your ease and convenience and shall not, in any manner whatsoever, be construed as services, advice or recommendations provided by us, and we shall not be responsible for any adverse results you may experience by engaging in financial planning, use of planning tools or other functions available on the Platforms without our assistance or oversight.

## PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

ITEM 6

We currently do not offer any performance-based asset management services.

## TYPES OF CLIENTS

ITEM 7

The types of clients we serve are described in Item 4, “Who We Are.” We manage accounts under \$10,000 if they are receiving regular contributions and are expected to meet or exceed \$10,000 within a short period of time. Due to the minimum investment requirements imposed by many mutual fund companies, these accounts will be managed as “Transition Accounts” resulting in less diversification and possibly resulting in greater volatility.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

ITEM 8

### Methods of Analysis and Investment Strategies

Given the inherent risk and volatility from investing in individual securities, we use pooled investment vehicles, such as mutual funds and exchange-traded securities (i.e., ETFs and ETNs). We use actively managed funds as well as index funds.

Making money is a result of either (i) appreciation, (ii) income/dividends or (iii) both - known as total return. Taking into consideration your need for money (portfolio withdrawals) and your tolerance for risk, we can help you select among the following investment strategies (ordered from conservative to aggressive):

- ❖ **Income** - This strategy emphasizes capital preservation by investing in income-oriented securities such as bond funds (e.g. corporate, government and/or municipal funds) within the U.S. and international markets, including other securities like inverse funds.
- ❖ **Income and Growth** - This strategy emphasizes capital preservation by investing in income-oriented securities such as bond funds (e.g. corporate, government and/or municipal funds) while complementing the portfolio with growth funds that offer the potential for capital appreciation within the U.S. and international markets, including other securities like inverse funds. You should be willing to accept modest stock market risk and volatility.
- ❖ **Conservative Growth** - This strategy seeks growth through capital appreciation and dividends/income by investing among U.S. and international stock and bond funds, including other securities like inverse funds. You should be willing to accept moderate stock market risk and volatility.
- ❖ **Core Equity** - This strategy seeks growth through capital appreciation, with minimal emphasis on dividends/income, by investing among U.S. and international stock funds, including other securities like inverse funds. You should be willing to accept stock market risk and volatility associated with an all-stock portfolio (e.g. S&P 500 index).
- ❖ **Tactical Growth** - This strategy seeks growth through capital appreciation without any constraints on the type of securities used, including inverse funds. Portfolios may be concentrated in volatile securities including sectors, commodities, currencies, etc. You should be willing to accept increased volatility and trading with less diversification.
- ❖ **Sector Rotation** - This strategy seeks growth through capital appreciation by rotating among funds representing various sectors of the S&P 500 index, including inverse funds. You should be willing to accept higher risk, volatility and trading.

The factors considered in the search for securities used for management include, but are not limited to, the following: performance, risk, consistency of objectives, manager's tenure, fund size and fund distributions. We may also utilize information obtained from rating and tracking organizations, services providing money flow statistics, business publications, fund prospectuses and other sources and may consider other criteria including, but not limited to, the administrative, recordkeeping, communication, reporting and other services provided.

Our investment decisions are primarily focused on technical analysis, but we also may use fundamental analysis to develop an overall macro perspective as well as to understand the management style of the underlying portfolio manager.

## Technical Analysis

---

Technical analysis utilizes current and historical pricing information to help us identify trends in the equity and fixed income markets and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among others. Technical analysis focuses on the price movement of a security trading in the market place. This is an ideal tool to help identify market entry/exit points. However, no market indicator is absolutely reliable, and portfolios can underperform.

## Fundamental Analysis

---

Fundamental analysis considers growth rates, economic conditions, earnings, cash flow, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates and mutual fund company management. Fundamental analysis places greater value on the long-term financial structure and health of a company; however, such fundamental data does not always correlate to the trading value of the stock on the exchanges.

## Managing Risk

There are several risks that can negatively affect the value of your portfolio. These can include:

- ❖ **Market Risk** - Market risk consists of outside factors that can affect the performance of the financial markets, which in turn causes you to experience losses arising from movements in market prices.
- ❖ **Interest Rate Risk** - Interest rate risk can affect the value of investments. Essentially, when the interest rate on a bond begins to rise, the value (bond price) begins to drop; vice versa, when interest rates on a bond fall, the bond value rises.
- ❖ **Principal Risk** - Principal risk is the risk of losing the amount you invested due to bankruptcy or default.
- ❖ **Currency Risk** - Currency risk is the risk that arises from the change in price of one currency against that of another. Investment values in international securities can be affected (favorably or adversely) by currency rate changes.
- ❖ **Inflation Risk** - The reduction of purchasing power of investments over time.

Other risks could include political, tax, over-concentration and liquidity, to name a few. However, notwithstanding these risk factors, the most important thing for you to understand is that regardless of how we analyze securities or the investment strategy and methodology we use to guide us in the management of your investment portfolio, investing in a security involves a risk of loss that you should be willing and prepared to bear.

In an ideal world, we would all want to “buy-and-hold” a security forever. We feel this is an unrealistic expectation. Conventional “buy-and-hold” strategies are not designed to reduce your exposure in volatile or declining financial markets. For this reason, we believe successful investing and risk management is defined by two factors:

1. **FSA Safety Net®** - An exit strategy to preserve capital.
2. **Follow the Money** - Being properly positioned in securities with rising price trends

## FSA Safety Net®

---

The FSA Safety Net® is our exit strategy. Knowing that a 100% gain is needed to offset a 50% loss, our mantra is “Winning by not losing®.” This is more than just a catchy phrase; it is the



foundation of our investment philosophy. While many advisors and investors constantly seek opportunities for higher returns, we believe protecting what you've made is the most important strategy we can take. We do this by utilizing the FSA Safety Net® to help reduce losses during sustained downward trends.

The FSA Safety Net® is designed to represent an exit point for securities within a portfolio to help reduce losses during sustained downward trends. The FSA Safety Net® is not effective and will not protect assets in periods leading up to and including abrupt/sudden market declines. Examples of such occurrences include, but are not limited to, the market crash of October 1987, the market drop in October 1989, the market disruption caused by the terrorist attacks of September 2001 and the flash crash of May 2010. Similar future occurrences could reduce the effectiveness of the FSA Safety Net®. In addition, the FSA Safety Net® will not protect assets in the event that the account custodian, mutual fund sponsor or manager, annuity sponsor or manager, a specific security itself and/or stock exchanges, at their discretion, suspends, disallows or fails to conduct trades, exchanges, redemptions or liquidations requested by us or you.

### Follow the Money

---

We do not believe in holding the same securities or asset classes through all market cycles. Investments go through cycles of extended periods of being in and/or out of favor. This is a function of supply and demand. These cycles create a price trend which is up, down or sideways. Investments that are in favor are dominated by buyers, creating a rising price trend. Our investment process seeks to own those favorable assets. When these assets are no longer in favor and price trends reverse, we want to exit those investments.

Inverse/Enhanced Investments: We may utilize inverse (short) mutual funds and/or exchange-traded investment/funds (ETFs) that are designed to perform in an inverse (opposite) relationship to certain market indices (at a rate of one or more times the inverse result of the corresponding index). In addition, we may also use leveraged (enhanced) mutual funds or ETFs that provide an enhanced relationship to certain market indices (at a rate of more than one times the actual result of the corresponding index). You may direct us, in writing, not to employ any or all such investments.

Past performance is no guarantee of future results. Different types of investments involve varying degrees of risk. It should not be assumed that future performance of any specific investment, investment strategy or product (including the investments and/or investment strategies recommended and/or undertaken by us or the FSA Safety®), or any non-investment related services, content or advice, will prove successful or profitable, or equal any historical performance level(s).

## DISCIPLINARY INFORMATION

---

ITEM 9

We have no legal or disciplinary events to report.

## OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

---

ITEM 10

We are a fee-only registered investment advisor; none of our supervised persons are licensed by or are related to another financial industry participant, and therefore, no disclosure is necessary for this item.

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

ITEM 11

### Code of Ethics

As a fiduciary, we have a duty to render unbiased investment advice and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in performing their duties. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct
- ❖ Full, fair and accurate disclosure
- ❖ Compliance with applicable rules and regulations
- ❖ Reporting of any violation of the Code
- ❖ Accountability

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

### Client Transactions

These trading policies are our internal disclosures and guidelines regarding transactions related to tradable securities (mutual funds excluded).

#### Participation or Interest

It is against our policies for any owner, officer, director or employee to invest with you or with a group of clients or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by our Chief Compliance Officer and such investment is not in violation of any SEC and/or state rules and regulations.

#### Class Action Policy

We do not elect to participate in class action lawsuits on your behalf. Such decisions are yours or with an entity you designate. However, if you have specific questions, you may contact us and we will help explain the particulars. Any final determination of whether to participate, and the completion and tracking of any such related documentation, shall rest with you.

### Personal Trading

We and our employees are permitted to personally invest our own monies in securities which may also be from time to time the same securities owned in your account. Such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made in an employee's account. In these situations, we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No access person of ours (i.e., any officer or an employee who has prior access to information regarding clients' purchase or sale of securities) shall buy or sell

securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public upon reasonable inquiry. No employee of ours shall prefer his or her own interest to that of yours or any other advisory client.

2. We review all securities holdings for all our access employees. An appointed officer reviews these holdings on a regular basis.
3. We require that all employees act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to termination.

Personal trading activities are monitored by our Chief Compliance Officer, or his designee, to ensure that such activities do not impact your security or create conflicts of interest.

## BROKERAGE PRACTICES

ITEM 12

### Custodial Services

We have custodial arrangements with Charles Schwab & Co., Inc. (“Schwab”), a licensed broker-dealer (member FINRA/SIPC), through its Schwab Advisor Services. Schwab offers us services which include custody of securities, trade execution, clearance and settlement of transactions.

We are not a subsidiary, or an affiliated entity, of Schwab. We have sole responsibility for investment advice rendered, and our advisory services are provided separately and independently from Schwab.

We receive economic benefits through our relationship with Schwab that are typically not available to Schwab retail clients. This creates an incentive for us to recommend Schwab based on the economic benefits we receive rather than on your interest in receiving most favorable execution. These benefits include the following products and services (provided without cost or at a discount):

- ❖ Receipt of duplicate client statements and confirmations;
- ❖ Research related products and tools;
- ❖ Consulting services;
- ❖ Access to a dedicated trading desk;
- ❖ Access to batch trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts);
- ❖ The ability to have advisory fees deducted directly from accounts;
- ❖ Access to an electronic communications network for order entry and account information;
- ❖ Access to mutual funds with no transaction fees and to certain institutional money managers;
- ❖ Discounts on compliance, marketing, research, technology and practice management products or services provided to us by third-party vendors; and
- ❖ Discounted and/or complimentary attendance at conferences, meetings and other educational events, as well as financial contributions to client entertainment and/or educational seminars.

Schwab at times pays for business consulting and professional services received by our related persons. Some of the products and services made available by Schwab may benefit us and not you or your account. These products or services may assist us in managing and administering



your accounts. Other services made available by Schwab are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel do not depend on the amount of brokerage transactions directed to Schwab.

**QUESTIONS:** Our Chief Compliance Officer is available to address any questions that you may have regarding the above custodial relationship with Schwab and any corresponding conflicts of interest presented by such arrangements.

### **Direction of Transactions and Commission Rates (Best Execution)**

We have a fiduciary duty to put your interests before our own. Schwab's advisory support services create an economic benefit to us and a potential conflict of interest to you in that our recommendation to custody your account(s) with Schwab may have been influenced by these arrangements/services. This is not the case; we have selected Schwab as the custodian of choice based on:

1. Schwab's competitive transaction charges, trading platform and online services for account administration and operational support.
2. Schwab's general reputation, trading capabilities, investment inventory, their financial strength and our personal experience working with Schwab staff.

Since we do not recommend, suggest or make available a selection of custodians other than Schwab and we have not verified whether their transaction fees are competitive with another custodian, best execution may not always be achieved. Therefore, you do not have to accept our recommendation to use Schwab as your custodian. However, if you elect to use another custodian, we may not be able to provide you complete institutional services.

### **Aggregating Trade Orders**

Our objective when executing orders is to act fairly and impartially and to take all reasonable steps to obtain the best possible results (known as "best execution") for you. In seeking best execution, the determinative factor is not the lowest possible cost but whether the transaction represents the best qualitative execution. Also, when we batch (aggregate) orders for a block trade, or when allocating a trade among the batched accounts, policies are in place so that no client is systematically advantaged or disadvantaged by batching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before batching accounts for a block trade. A few of those factors are:

- ❖ **Security Trading Volume** - Batching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- ❖ **Number of Accounts** - When fewer client accounts are involved, the batched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each account. In addition, preparing individual market orders for the small number of accounts involved may be quicker to complete than preparing a batch order.
- ❖ **Financial Instruments** - The type of security involved as well as the complexity of the order can affect our ability to achieve best execution.



## REVIEW OF ACCOUNTS

ITEM 13

We review your account(s) on an ongoing basis to ensure that your overall long-term investment objectives are being addressed. The general economy, market conditions and/or changes in tax law can trigger more frequent reviews. Your cash needs will be adjusted as necessary.

Access to your monthly statements is available through Charles Schwab & Co., Inc. (Schwab). These statements summarize all account transactions (including security costs, proceeds, dividends, fees paid, etc.) and the market value of investment holdings. You are encouraged to review these statements to ensure accurate reporting and to determine whether we are meeting your investment objectives.

It is your exclusive obligation and sole responsibility to immediately notify us, in writing, if there is a change in your financial situation or investment objective(s) including, but not limited to, personal/financial situation, goals, needs or concerns/views regarding economic/political/financial climate as well as any changes in investment alternatives, restrictions, etc. for the purpose of reviewing, evaluating or revising any of our previous recommendations and/or services.

We provide you with access to certain online aggregation or financial planning applications/platforms (Platforms) that allow you to view your financial information including Held-Away Assets (see “Held-Away Assets,” Item 14, “Client Referrals and Other Compensation”) that are not managed by us. All information is for the purpose of reporting/consolidating assets and liabilities, and all such information shall be subject to the terms and conditions of the “Held-Away Assets” section of your agreement with us. Access to the Platforms is for your ease and convenience and shall not, in any manner whatsoever, be construed as services, advice or recommendations provided by us, and we shall not be responsible for any adverse results you may experience by engaging in financial planning, use of planning tools or other functions available on the Platforms without our assistance or oversight.

## CLIENT REFERRALS AND OTHER COMPENSATION

ITEM 14

### Referral Compensation

We may directly compensate persons for client referrals, provided that those persons/firms are qualified and have entered a sub-advisory agreement with us.

#### Sub-Advisor Arrangements

If you were referred to us by an unaffiliated registered investment advisor to manage your investment portfolio, the unaffiliated investment advisor will perform all qualifying ongoing day-to-day relations with you. In addition, the unaffiliated investment advisor agrees to (i) use their best efforts to keep your investment objectives current and (ii) determine the ongoing suitability for the designated investment strategies.

Portfolio management services for sub-advisor clients may be discounted from our fee schedule listed under “Asset Management Fee” above in Item 5, “Fees and Compensation” section of this Brochure.



If the custodian/broker-dealer is determined by the unaffiliated investment advisor, we will be unable to negotiate commissions and/or transaction costs and/or seek better execution. As a result, if you are a client of the unaffiliated registered investment advisor, you may pay higher commissions or other transaction costs or greater spreads or receive less favorable net prices on transactions for your account than would otherwise be the case through alternative clearing arrangements recommended by us. Higher transaction costs adversely impact account performance.

### Other Compensation (Indirect Benefit)

We receive an indirect economic benefit from Charles Schwab & Co., Inc. (“Schwab”) in the form of support products and services they may make available to us (see “Custodial Services” above under Item 12, “Brokerage Practices,” for more detailed information on these products and services, how they benefit us and the related conflicts of interest).

### Financial Planning Disclosure

We are not a law firm, accounting firm or an insurance agency, and no portion of our services should be construed as comprehensive financial planning or legal, insurance or accounting advice. Rather, you should seek the advice of your attorney, insurance agent, accountant or other corresponding professional advisor with respect to such issues. We do not prepare estate planning documents or tax returns, nor do we sell insurance products.

You may require further assistance from outside professionals (i.e., attorneys, accountants, insurance agents, etc.) to address your financial situation when preparing your financial analysis. Should this be the case and you don’t have a professional of your choosing, we may recommend the services of outside professionals we know to help with implementation, but you should understand that our referral of a professional to you could present a conflict of interest because:

- ❖ We could have an economic incentive to refer you to a specific professional.
- ❖ The professional could also make referrals to us.

You further understand that any financial planning, consulting and investment recommendations by us are subject to various market, currency, economic, political, tax and business risks and that those recommendations/decisions will not always be profitable.

You are free at all times to accept or reject any recommendation from us, and you acknowledge having the sole authority with regard to the implementation, acceptance or rejection of any recommendation or advice and/or services from us and any recommendations (i.e., estate planning, retirement planning, taxes, etc.) should be discussed and/or implemented, at your sole discretion, with the corresponding professional advisor(s) (i.e., broker, accountant, attorney, etc.) of your choosing (which may include affiliated entities and/or representatives of us).

**QUESTIONS:** Our Chief Compliance Officer is available to address any questions that you may have regarding the above disclosures.

### Held Away Assets

“Held-Away Assets” are defined as your investment assets or accounts that are (i) not designated by you to be subject to our discretionary management services under the terms and conditions of our Client Profile and Agreement, (ii) not included in calculating your performance and not subject to fees based upon a computation of your assets under our

management, (iii) contained in your employer sponsored retirement plan accounts for which we do not maintain trading authority or (iv) any specific individual securities that are purchased for your account at your direction and not based upon our investment advice or determination to purchase the individual securities as part of our ongoing discretionary management authority. When specifically requested by you and as agreed to by us, we may provide investment advice related to the Held-Away Assets subject to the terms and conditions of our Client Profile and Agreement which includes the following:

- ❖ We do not accept responsibility to provide ongoing review, monitoring or performance evaluation of any Held-Away Assets including retirement plan allocations sponsored by your employer, all of which is your or your designated professional's ongoing responsibility.
- ❖ If requested by you, we may consult or assist you regarding Held-Away Assets in matters that include, but are not limited to, disposition of assets, transferring of non-managed funds to/from the account(s) or assist with trades within the non-managed account(s) but only as directed by you. You remain responsible for all decisions and consequences regarding the Held-Away Assets and agree to release and hold us harmless, and all persons associated with us, from any and all losses and/or other liabilities resulting from the Held-Away Assets(s).
- ❖ Our investment advice shall be limited by the investment choices available within your retirement plan, and we are not responsible for any costs, expenses, transaction fees, redemption fees, penalties or otherwise resulting from any account transactions.
- ❖ We will not have, nor will we accept, any authority to effect any type of transactions or changes via the plan website on your behalf including, but not limited to, changing investment allocation, changing beneficiaries or effecting account disbursements or transfers to any individual or entity.
- ❖ It is your exclusive obligation and sole responsibility to immediately notify us, in writing, if there is a change in your financial situation or investment objective(s) including, but not limited to, personal/financial situation, goals, needs or concerns/views regarding economic/political/financial climate as well as any changes in investment alternatives, restrictions, etc. for the purpose of reviewing, evaluating or revising any of our previous recommendations and/or services.
- ❖ We shall not be responsible for any costs, damages, penalties or otherwise resulting from the failure to notify us.

## Retirement Rollovers

When it comes to your retirement account, you have four options to consider when changing employers or retiring:

- ❖ Leave the account assets in the former employer's plan, if permitted.
- ❖ Roll over the assets to the new employer's plan, if one is available and rollovers are permitted.
- ❖ Roll over the account assets to an Individual Retirement Account (an "IRA").
- ❖ Cash out the retirement account assets (there may be tax consequences and/or IRS penalties depending on your age).

Should you approach us to advise you on which option would be the best for your particular situation, we have an economic incentive to recommend you roll over your retirement account to a managed IRA account with us where we would earn a management fee on the assets. This can create a potential conflict of interest and render our advice as subjective and a disadvantage to you. Therefore, if we recommend you roll over your retirement account to an individually managed IRA account, you are under no obligation to engage us to manage your assets. You are free to take your account anywhere.



**QUESTIONS:** Our Chief Compliance Officer is available to address any questions that you may have regarding the above disclosures relating to client referrals and other compensation arrangements.

## CUSTODY

ITEM 15

### Advisory Fee Deduction

We do not take possession of or maintain custody of your funds or securities. Physical possession and custody of your funds and/or securities are maintained with Charles Schwab & Co., Inc. (“Schwab”) as indicated above in Item 12, “Brokerage Practices.”

We do, however, meet the definition of custody since you have authorized us to deduct our advisory fees directly from your account. Therefore, to comply with the United States Securities and Exchange Commission’s Custody Rule (1940 Act Rule 206(4)-2) requirements, and to protect you as well as to protect our advisory practice, we have implemented the following regulatory safeguards:

- ❖ Your funds and securities will be maintained with a qualified custodian (Schwab) in a separate account in your name.
- ❖ Authorization to withdraw our advisory fees directly from your account will be approved by you prior to engaging in any advisory or asset management services.

Deducted advisory or management fees will be reflected on your monthly statement from Schwab. Please also note that Schwab does not verify the accuracy of the management fee calculation.

### Trustee Accounts

David Petersen serves as a trustee for three client accounts. These are the only accounts where we act as trustee, and there are no future plans to offer additional trustee services.

In this situation where an employee of ours acts as trustee for a client’s trust and also an investment advisor representative to the account, our advisory agreement is accompanied by a trust instrument. When this occurs, by virtue of his/her position, the trustee has the legal ownership of the client assets and the authority to dispose of funds and securities in those accounts. This creates a custody situation which requires us to undergo an annual surprise inspection (irregular from year to year) by an independent public accountant of the funds or securities in those accounts for which we have custody.

To comply with 1940 Act Custody Rule 206(4)-2 we will:

- ❖ Request that Schwab send account statements to the trust beneficiaries and/or a designated independent representative.
- ❖ Undergo an annual surprise inspection by a certified public accountant.

**QUESTIONS:** Our Chief Compliance Officer is available to address any questions that you may have regarding the above disclosures relating to custody and the corresponding conflict of interest presented by such arrangements.



## INVESTMENT DISCRETION

ITEM 16

### Securities and Amount Bought or Sold

We execute a Client Profile and Agreement with you which sets forth the authority to buy and sell securities in whatever amounts are determined to be appropriate for your account at our discretion.

At any time, you may impose reasonable restrictions, in writing, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse or leveraged relationship to the market, etc.).

## VOTING CLIENT SECURITIES

ITEM 17

We do not vote client proxies. You understand and agree that you retain the right to vote all proxies solicited for securities held in your managed accounts. Most often the custodian of your managed accounts will mail you all proxy solicitations. Any proxy solicitations inadvertently received by us will be immediately forwarded to you for your evaluation and decision.

However, if you have specific questions, you may contact us and we will help explain the particulars. The ultimate decision on how you vote is your responsibility.

## FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take physical custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200.

We are not aware of any current financial conditions that are likely to impair our ability to meet our contractual commitments to you. In addition, we have not, nor have any of our officers and directors, been the subject of a bankruptcy petition at any time during the past ten years.

**END OF DISCLOSURE BROCHURE**

## FORM ADV: PART 2B

BROCHURE SUPPLEMENT



## Financial Services Advisory, Inc.

One Church Street, Suite 901  
Rockville, Maryland 20850

### CONTACT INFORMATION

800.235.4567  
301.949.7300  
301.949.7034 Fax

[www.FSAinvest.com](http://www.FSAinvest.com)

### SUPERVISION

**David R. Petersen**  
Chief Compliance Officer

Tel: 301.949.7300  
e-Mail: [Dave@FSAinvest.com](mailto:Dave@FSAinvest.com)

Mr. Petersen is responsible for the regulatory oversight of our advisory practice - ensuring that we are operating in compliance with federal and state regulations.

His responsibilities include reviewing investment activities to ensure all supervised persons are acting in your best interest in performing their duties.

Ronald J. Rough, Director of Portfolio Management, supervises the investment activities of Mr. Petersen on an ongoing basis to ensure your best interests are served. Mr. Rough can be reached at 301-949-7300.

BROCHURE SUPPLEMENT  
DATED

1

**JANUARY  
2020**

This Brochure Supplement provides information about David R. Petersen that is an accompaniment to the Disclosure Brochure for our firm, Financial Services Advisory, Inc. You should have received both of these together as a complete disclosure packet. If you did not receive our Disclosure Brochure or if you should have questions about this Brochure Supplement for Mr. Petersen, you are welcome to contact us - our contact information is listed to the left.

Additional information about Financial Services Advisory, Inc. and David R. Petersen are also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## David R. Petersen, CFP®

CRD#: 716333

Year of Birth: 1956

### EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

#### Education

1980 - Brigham Young University: Bachelor of Science in Finance

#### Licenses

FINRA Exams: Series 7 - General Securities Representative (Retired)  
Series 63 - Uniform Securities Agent State Law Examination (Retired)

Designations: **CERTIFIED FINANCIAL PLANNER™ (CFP®) Certification<sup>1</sup>** - The CFP® designation requires one to meet education, examination, experience, and ethics requirements. In addition, CFPs are required to meet rigid standards and annual continuing education requirements.

#### Business Background

02/1982 - Present.....Financial Services Advisory, Inc.  
Position: Founding Partner and Chief Compliance Officer

Mr. Petersen works with clients providing financial and investment advice, as well as serving as a point of contact for prospective clients. In addition, he is a member of the firm's leadership team.

Mr. Petersen co-founded FSA in 1982 upon the belief that successful investing requires an active, disciplined management strategy. His belief to building and preserving wealth requires that you must not only take advantage of advancing markets but more importantly adapt to changing environments and protect capital in declining markets to ultimately have financial peace of mind.

Over 35 years, Mr. Petersen has managed client assets by having an exit strategy and has coined the firm's mantra: "Preserving money is just as important as making it."

### DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

### OTHER BUSINESS ACTIVITIES

Mr. Petersen is not involved in any other business activities. Full focus of his attention is directed to meeting your financial and investment needs.

### ADDITIONAL COMPENSATION

Mr. Petersen does not receive any economic benefit, incentives, sales awards, prizes or bonuses that are based on the number or amount of sales, client referrals, or from opening new accounts.

<sup>1</sup> Certified Financial Planner Board of Standards, Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, and federally registered CFP (with flame logo), which it awards to individuals who successfully complete initial and ongoing certification requirements.



## FORM ADV: PART 2B

BROCHURE SUPPLEMENT



## Financial Services Advisory, Inc.

One Church Street, Suite 901  
Rockville, Maryland 20850

### CONTACT INFORMATION

800.235.4567  
301.949.7300  
301.949.7034 Fax

www.FSAinvest.com

### SUPERVISION

**David R. Petersen**  
Chief Compliance Officer

Tel: 301.949.7300  
e-Mail: Dave@FSAinvest.com

Mr. Petersen is responsible for the regulatory oversight of our advisory practice - ensuring that we are operating in compliance with federal and state regulations.

His responsibilities include reviewing investment activities to ensure all supervised persons are acting in your best interest in performing their duties.

BROCHURE SUPPLEMENT  
DATED

1

**JANUARY  
2020**

This Brochure Supplement provides information about James E. Joseph that is an accompaniment to the Disclosure Brochure for our firm, Financial Services Advisory, Inc. You should have received both of these together as a complete disclosure packet. If you did not receive our Disclosure Brochure or if you should have questions about this Brochure Supplement for Mr. Joseph, you are welcome to contact us - our contact information is listed to the left.

Additional information about Financial Services Advisory, Inc. and James E. Joseph are also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## James E. Joseph, CFP®

CRD#: 2943563

Year of Birth: 1974

### EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

#### Education

1997 - West Virginia University: Bachelor of Science in Finance

#### Licenses

FINRA Exams: Series 7 - General Securities Representative (Retired)  
Series 63 - Uniform Securities Agent State Law Examination (Retired)  
Series 66 - Uniform Combined State Law Examination

Designations: **CERTIFIED FINANCIAL PLANNER™ (CFP®) Certification<sup>1</sup>** - The CFP® designation requires one to meet education, examination, experience, and ethics requirements. In addition, CFPs are required to meet rigid standards and annual continuing education requirements.

#### Business Background

01/2017 - Present .....Financial Services Advisory, Inc.  
Position: President  
11/2004 - 12/2016 .....Financial Services Advisory, Inc.  
Position: Vice President  
08/1999 - 10/2004 .....Charles Schwab & Company, Inc.  
Position: Financial Consultant  
06/1998 - 08/1999 .....Morgan Stanley Dean Witter  
Position: Account Executive

Mr. Joseph works with clients providing financial and investment advice, as well as serving as a key point of contact for prospective clients. In addition, he leads the firm's strategic initiatives as a member of the leadership team while overseeing the management and financial advisor teams.

Since joining FSA in 2004, Mr. Joseph has maintained a client-first philosophy, ensuring that client needs and expectations are met. This is evident in the infrastructure of FSA, namely service teams for every client and their financial review process. This has helped FSA remain responsive to the changing needs of clients.

Mr. Joseph's passion to help people grow has reached his team members as well. He led the charge to redesign our firm's culture to become a "learning organization," guaranteeing team members receive an opportunity to shine their gifts and grow as people and not just employees.

Prior to joining FSA, he worked with other firms, including Charles Schwab and Morgan Stanley, where he developed client portfolios and helped build cash flow strategies and retirement plans to meet each client's unique needs and goals.

### DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

### OTHER BUSINESS ACTIVITIES

Mr. Joseph is not involved in any other business activities. Full focus of his attention is directed to meeting your financial and investment needs.

### ADDITIONAL COMPENSATION

Mr. Joseph does not receive any economic benefit, incentives, sales awards, prizes or bonuses that are based on the number or amount of sales, client referrals, or from opening new accounts.

<sup>1</sup> Certified Financial Planner Board of Standards, Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, and federally registered CFP (with flame logo), which it awards to individuals who successfully complete initial and ongoing certification requirements.

## FORM ADV: PART 2B

BROCHURE SUPPLEMENT



## Financial Services Advisory, Inc.

One Church Street, Suite 901  
Rockville, Maryland 20850

### CONTACT INFORMATION

800.235.4567  
301.949.7300  
301.949.7034 Fax

www.FSAinvest.com

### SUPERVISION

**David R. Petersen**  
Chief Compliance Officer

Tel: 301.949.7300  
e-Mail: Dave@FSAinvest.com

Mr. Petersen is responsible for the regulatory oversight of our advisory practice - ensuring that we are operating in compliance with federal and state regulations.

His responsibilities include reviewing investment activities to ensure all supervised persons are acting in your best interest in performing their duties.

BROCHURE SUPPLEMENT  
DATED

1

**JANUARY  
2020**

This Brochure Supplement provides information about Ronald J. Rough that is an accompaniment to the Disclosure Brochure for our firm, Financial Services Advisory, Inc. You should have received both of these together as a complete disclosure packet. If you did not receive our Disclosure Brochure or if you should have questions about this Brochure Supplement for Mr. Rough, you are welcome to contact us - our contact information is listed to the left.

Additional information about Financial Services Advisory, Inc. and Ronald J. Rough are also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Ronald J. Rough, CFA

CRD#: 2083110

Year of Birth: 1960

### EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

#### Education

1982 - Miami University: Bachelor of Arts in Economics and Diplomacy and Foreign Affairs

#### Licenses

FINRA Exams: Series 2 - Non-Member General Securities (Retired)  
Series 24 - General Securities Principal (Retired)  
Series 65 - Uniform Investment Advisor Law Examination

Designations: **Chartered Financial Analyst (CFA) Charterholder** - The CFA designation requires the candidate to have a bachelor's degree, 4 (four) years professional working experience in the investment field, and successfully passed the examination process. In addition, Charterholders are required to meet rigid standards and are encouraged to meet annual continuing education requirements.

#### Business Background

05/2006 - Present .....Financial Services Advisory, Inc.

Position: Director of Portfolio Management

09/1995 - 04/2006 .....Genworth Financial Asset Management, Inc.

Position: Vice President and Director of Portfolio Management

09/1986 - 09/1995 .....Schabacker Investment Management, Inc.

Position: Director of Portfolio Management

Mr. Rough joined FSA in 2006 and is responsible for the day-to-day management of client portfolios. This includes portfolio construction, fund selection, and risk management.

With more than 30 years of experience in the investment management business, Mr. Rough is a respected authority on a wide range of investment topics. Over the years, he has been quoted frequently in the general media, as well as in various trade publications. A warm and engaging speaker, he is often invited to speak to organizations about all things financial. At FSA, he writes a monthly market commentary and develops presentations for clients and prospects.

Prior to joining FSA, Mr. Rough was director of portfolio management for Genworth Financial Asset Management (GFAM), a Los Angeles-based subsidiary of Genworth Financial, managing nearly \$13 billion of client assets. Mr. Rough's tenure with GFAM spanned 11 years and included nearly all aspects of investment management, including asset allocation, portfolio construction, manager selection and due diligence, and risk management.

Prior to his career with GFAM, Mr. Rough spent nine years with Schabacker Investment Management. His first job after graduating from college was serving on the White House Task Force on Private Sector Initiatives under President Ronald Reagan.

Mr. Rough received a Bachelor of Arts degree from Miami University in Ohio with a double major in economics and diplomacy and foreign affairs.

### DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

### OTHER BUSINESS ACTIVITIES

Mr. Rough is not involved in any other business activities. Full focus of his attention is directed to meeting your financial and investment needs.

### ADDITIONAL COMPENSATION

Mr. Rough does not receive any economic benefit, incentives, sales awards, prizes or bonuses that are based on the number or amount of sales, client referrals, or from opening new accounts.



© eAdvisor Compliance, Inc. - Brochure Supplement Design Layout. [www.eadvisorcompliance.com](http://www.eadvisorcompliance.com)

## FORM ADV: PART 2B

BROCHURE SUPPLEMENT



## Financial Services Advisory, Inc.

One Church Street, Suite 901  
Rockville, Maryland 20850

### CONTACT INFORMATION

800.235.4567  
301.949.7300  
301.949.7034 Fax

[www.FSAinvest.com](http://www.FSAinvest.com)

### BRANCH LOCATION

5237 Summerlin Commons Blvd.  
Fort Myers, Florida 33907

### SUPERVISION

**David R. Petersen**  
Chief Compliance Officer

Tel: 301.949.7300  
e-Mail: [Dave@FSAinvest.com](mailto:Dave@FSAinvest.com)

Mr. Petersen is responsible for the regulatory oversight of the regulatory oversight of our advisory practice - ensuring that we are operating in compliance with federal and state regulations.

His responsibilities include reviewing investment activities to ensure all supervised persons are acting in your best interest in performing their duties.

BROCHURE SUPPLEMENT  
DATED

1

**JANUARY  
2020**

This Brochure Supplement provides information about James H. Applegate that is an accompaniment to the Disclosure Brochure for our firm, Financial Services Advisory, Inc. You should have received both of these together as a complete disclosure packet. If you did not receive our Disclosure Brochure or if you should have questions about this Brochure Supplement for Mr. Applegate, you are welcome to contact us - our contact information is listed to the left.

Additional information about Financial Services Advisory, Inc. and James H. Applegate are also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## James H. Applegate, CFP®

CRD#: 1521967

Year of Birth: 1955

### EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

#### Education

1983 - Embry Riddle Aeronautical University: Bachelor of Professional Aeronautics

#### Licenses

FINRA Exams: Series 7 - General Securities Representative (Retired)  
Series 63 - Uniform Securities Agent State Law Examination (Retired)

Designations: **CERTIFIED FINANCIAL PLANNER™ (CFP®) Certification<sup>1</sup>** - The CFP® designation requires one to meet education, examination, experience, and ethics requirements. In addition, CFPs are required to meet rigid standards and annual continuing education requirements.

**Accredited Asset Management Specialist<sup>SM</sup> (AAMS®) Designation** - The AAMS® candidates are required to complete 12-module professional education programs, pass an examination, commit to a code of ethics, and submit to annual continuing education requirements.

#### Business Background

10/2010 - Present .....Financial Services Advisory, Inc.  
Position: Regional Director

07/2002 - 09/2010 .....Applegate Investment Management, LLC  
Position: Owner, Chief Investment Officer and Chief Compliance Officer

02/1992 - 12/2007 .....Investment Insight, Inc.  
Position: Chief Investment Officer and Shareholder

07/1994 - 06/2000 .....Securities Services Network, Inc.  
Position: Registered Representative

Mr. Applegate serves as FSA's presence in Southern Florida. Residing in Fort Myers, his primary responsibility is maintaining client relationships, providing clients with financial advice, and serving as a key point of contact for prospective clients.

Mr. Applegate has over 25 years of experience in the investment management business. Prior to joining our firm, he operated his own advisory practice, Applegate Investment Management, for eight years. Mr. Applegate, managed client portfolios and selected investment and cash flow strategies to meet each client's unique needs and goals. Prior to operating his own advisory practice, Mr. Applegate was a Partner and Chief Investment Officer of another local investment advisory firm.

### DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

### OTHER BUSINESS ACTIVITIES

Mr. Applegate is not involved in any other business activities. Full focus of his attention is directed to meeting your financial and investment needs.

### ADDITIONAL COMPENSATION

Mr. Applegate does not receive any economic benefit, incentives, sales awards, prizes or bonuses that are based on the number or amount of sales, client referrals, or from opening new accounts.

<sup>1</sup> Certified Financial Planner Board of Standards, Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, and federally registered CFP (with flame logo), which it awards to individuals who successfully complete initial and ongoing certification requirements.

## FORM ADV: PART 2B

BROCHURE SUPPLEMENT



## Financial Services Advisory, Inc.

One Church Street, Suite 901  
Rockville, Maryland 20850

### CONTACT INFORMATION

800.235.4567  
301.949.7300  
301.949.7034 Fax

www.FSAinvest.com

### SUPERVISION

**David R. Petersen**  
Chief Compliance Officer

Tel: 301.949.7300  
e-Mail: Dave@FSAinvest.com

Mr. Petersen is responsible for the regulatory oversight of our advisory practice - ensuring that we are operating in compliance with federal and state regulations.

His responsibilities include reviewing investment activities to ensure all supervised persons are acting in your best interest in performing their duties.

BROCHURE SUPPLEMENT  
DATED

1

**JANUARY  
2020**

This Brochure Supplement provides information about Kimberly A. Scott that is an accompaniment to the Disclosure Brochure for our firm, Financial Services Advisory, Inc. You should have received both of these together as a complete disclosure packet. If you did not receive our Disclosure Brochure or if you should have questions about this Brochure Supplement for Ms. Scott, you are welcome to contact us - our contact information is listed to the left.

Additional information about Financial Services Advisory, Inc. and Kimberly A. Scott are also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Kimberly A. Scott, CFP®

CRD#: 5523788

Year of Birth: 1986

### EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

#### Education

2009 - Virginia Tech: Bachelor of Science in Finance (Dean's List)

#### Licenses

FINRA Exams: Series 7 - General Securities Representative (Retired)  
Series 66 - Uniform Combined State Law Examination

Designations: **CERTIFIED FINANCIAL PLANNER™ (CFP®) Certification<sup>1</sup>** - The CFP® designation requires one to meet education, examination, experience, and ethics requirements. In addition, CFPs are required to meet rigid standards and annual continuing education requirements.

#### Business Background

03/2013 - Present .....Financial Services Advisory, Inc.

Position: Senior Financial Advisor

01/2010 - 03/2013 .....DMJ Wealth Advisors, LLC

Position: Investment Advisory Representative

Ms. Scott provides financial planning and advising services. She is also responsible for managing relationships with existing and potential clients.

Prior to joining FSA, Kim worked at a financial planning firm in Greensboro, NC, where she gained valuable knowledge in assisting clients with their specific planning needs. She earned her degree in finance from Virginia Tech with a concentration in financial planning.

As a CERTIFIED FINANCIAL PLANNER™ professional, Ms. Scott is passionate about helping people reach their goals and achieve financial security. She takes great pride in helping families and business owners through retirement planning, education planning, investment planning, and estate planning. She actively participates in pro bono work and enjoys spending her time mentoring financial planning students from her alma mater.

### DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

### OTHER BUSINESS ACTIVITIES

Ms. Scott is not involved in any other business activities. Full focus of her attention is directed to meeting your financial and investment needs.

### ADDITIONAL COMPENSATION

Ms. Scott does not receive any economic benefit, incentives, sales awards, prizes or bonuses that are based on the number or amount of sales, client referrals, or from opening new accounts.

<sup>1</sup> Certified Financial Planner Board of Standards, Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, and federally registered CFP (with flame logo), which it awards to individuals who successfully complete initial and ongoing certification requirements.

## FORM ADV: PART 2B

BROCHURE SUPPLEMENT



## Financial Services Advisory, Inc.

One Church Street, Suite 901  
Rockville, Maryland 20850

### CONTACT INFORMATION

800.235.4567  
301.949.7300  
301.949.7034 Fax

www.FSAinvest.com

### SUPERVISION

**David R. Petersen**  
Chief Compliance Officer

Tel: 301.949.7300  
e-Mail: Dave@FSAinvest.com

Mr. Petersen is responsible for the regulatory oversight of our advisory practice - ensuring that we are operating in compliance with federal and state regulations.

His responsibilities include reviewing investment activities to ensure all supervised persons are acting in your best interest in performing their duties.

BROCHURE SUPPLEMENT  
DATED

1

**JANUARY  
2020**

This Brochure Supplement provides information about Mary Ann Drucker that is an accompaniment to the Disclosure Brochure for our firm, Financial Services Advisory, Inc. You should have received both of these together as a complete disclosure packet. If you did not receive our Disclosure Brochure or if you should have questions about this Brochure Supplement for Ms. Drucker, you are welcome to contact us - our contact information is listed to the left.

Additional information about Financial Services Advisory, Inc. and Mary Ann Drucker are also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Mary Ann Drucker

CRD#: 2495181

Year of Birth: 1966

### EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

#### Education

1998 - George Washington University: Masters of Business Administration in Finance and Investments

1992 - University of Maryland: Bachelor of Science in Finance

1990 - University of Maryland: Bachelor of Arts in Economics

#### Licenses

FINRA Exams: Series 7 - General Securities Representative (Retired)  
Series 63 - Uniform Securities Agent State Law Examination (Retired)  
Series 65 - Uniform Investment Advisor Law Examination (Active)

#### Business Background

05/2011 - Present .....Financial Services Advisory, Inc.  
Position: Assistant Portfolio Manager

04/2004 - 05/2010 .....Keystone Asset Management, Inc.  
Position: Senior Portfolio Manager and Research Analyst

02/1998 - 03/2004 .....Beatty Haynes & Patterson, Inc.  
Position: Trader and Client Service

05/1990 - 02/1998 .....Merrill Lynch  
Position: Registered Representative

Ms. Drucker is a member of the firm's investment management team. She assists the Director of Portfolio Management in the functions of account management, research and fund relations. She is the primary trader for the firm and helps keep client accounts aligned with the firm's various strategies.

Prior to joining FSA, Ms. Drucker worked with other registered investment advisory firms and with a major brokerage firm. Her broad experience in portfolio management, security analysis, trading, client servicing and operations has helped her to appreciate all of the components that work together to better serve clients.

### DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

### OTHER BUSINESS ACTIVITIES

Ms. Drucker is not involved in any other business activities. Full focus of her attention is directed to meeting your financial and investment needs.

### ADDITIONAL COMPENSATION

Ms. Drucker does not receive any economic benefit, incentives, sales awards, prizes or bonuses that are based on the number or amount of sales, client referrals, or from opening new accounts.



Financial Services Advisory  
GROW WISER®

## PRIVACY NOTICE

### ***Our Commitment to You***

As a client of FSA, you share both personal and financial information with us. This information enables us to provide you with responsive, personalized service and allows us to help you achieve your goals. Your privacy is important to us, and we are dedicated to safeguarding your personal and financial information.

### ***Information Provided by Clients***

In the normal course of doing business, we typically obtain the following non-public personal information about our clients:

- Personal information regarding our clients' identity such as name, address and social security number;
- Information regarding securities transactions effected by us; and
- Client financial information such as net worth, assets, income, bank account information and account balances.

### ***How We Manage and Protect Your Personal Information***

FSA is an independent, privately-owned firm. Therefore we do not have any affiliates with whom we share your personal and financial information. We do not sell information about current or former clients to third parties, nor is it our practice to disclose such information to third parties unless requested to do so by a client or authorized client representative or, if necessary, in order to process a transaction or service an account. As permitted by law, we may share your information without your permission to our third-party service providers in order to help administrate our business, such as brokerage and custodial firms, legal counsel, accountants, consultants and technology companies. Companies we hire for services of this kind are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality.

At FSA, we understand how important it is to protect your personal and financial information. That's why we have in place physical, electronic and procedural safeguards. Our staff is educated regarding the importance of confidentiality and privacy related to our related policies and procedures which restrict the use of client information and require that it be held in strict confidence.

### ***Our Commitment to Keeping You Informed***

We will annually provide you a notice describing our privacy policy. In addition, we will inform you promptly if there are changes to our policy.

Please do not hesitate to contact us with questions about this notice.