



**ADV Part 2  
Firm Brochure  
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This brochure provides information about the qualifications and business practices of Aust Financial Advisory, LLC. If you have any questions about the contents of this brochure, please contact Otis Aust by phone, (404) 285-9982 or email [otisaust@austfinancialadvisory.com](mailto:otisaust@austfinancialadvisory.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

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

DATED: June 11, 2013

## **Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization. Aust Financial Advisory’s business has evolved since its inception in 2010 and this filing represents changes that have occurred since the last filing.

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# **Advisory Business**

## **Firm Description**

The financial advisory practice of Aust Financial Advisory, LLC was founded in 2010. Aust Financial Advisory, herein also referred to as “AFA”, offers personalized, confidential financial planning and investment management to individual clients and families. Advice is offered through consultation with the client and may include: assessing a client’s assets and liabilities, income and expenses, risk tolerance, tax exposure, and estate planning needs.

The financial planning process involves a review of a client’s personal financial needs and goals for the future, with the objective of creating and implementing a financial plan designed to help each client achieve their financial goals. Aust Financial Advisory is strictly a fee-only financial planning and investment manager. We do not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. We are not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder’s fees are accepted. Investment advice is offered, with the client making the final decision on investment selection. Aust Financial Advisory does not act as a custodian of client assets. The client always maintains asset control. Aust Financial Advisory, places trades for clients under a limited power of attorney. A written evaluation of each client’s initial situation is provided to the client, generally in the form of a net worth statement. Periodic reviews may be conducted to communicate reminders of the specific courses of action that need to be taken. Other professionals (e.g., lawyers, accountants, insurance agents, etc.) may be engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

An initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

## **Principal Owner**

Arthur Otis Aust, CFP®, is the sole owner of Aust Financial Advisory.

## **Types of Advisory Services**

Aust Financial Advisory offers investment supervisory services, also known as asset management services. They offers investment advice through consultations, and on more than an occasional basis, Aust Financial Advisory, offers advice to clients on matters not involving securities, such as cash flow planning, educational planning matters, illiquid assets, debts, taxation issues, and estate planning issues. As of May 31, 2013, Aust Financial Advisory manages approximately \$9.4M in assets for

approximately 23 clients. Approximately \$5.8M is managed on a discretionary basis, and \$3.6M is managed on a non-discretionary basis.

## **Tailored Relationships**

The goals and objectives for each client are identified in meetings with clients. For Investment Management clients, Investment Policy Statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities. Agreements may not be assigned without client consent.

## **Types of Agreements**

The following agreements define the typical client relationships.

### **Financial Planning Agreement**

A Comprehensive Financial Plan is designed to help the client with all aspects of financial planning without ongoing investment management. The financial plan may include, but is not limited to: a net worth statement; a cash flow statement (aka, a budget); a review of investment accounts, including reviewing asset allocation and offering repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations. Detailed investment advice and specific recommendations may be offered as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is typically estimated based upon the facts known at the start of the engagement. The fee range for a financial plan is usually between \$1,000 and \$50,000. The fee is based upon an hourly billing rate of \$200, and is generally not negotiable. In the event that the client's financial planning needs are substantially different than understood at the initial meeting(s), more time than initially estimated may be needed to complete the planning process. For example, some clients may wish to evaluate a variety of future scenarios, which takes additional time, and thus may involve more planning time and cost. After delivery of a financial plan, future face-to-face meetings may be scheduled at the client's preference. Follow up planning is also billed at the rate of \$200 per hour.

### **Investment Management Agreement**

Some clients may choose to have Aust Financial Advisory manage their investment assets in order to obtain ongoing advice and life planning. All aspects of the client's financial affairs are generally reviewed. Realistic goals and objectives are set and steps to reach those goals are identified. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. The scope of work and

fees for an Investment Management Agreement is provided to the client in writing prior to the start of the relationship. An Investment Management Agreement includes: Determining the risk profile, major financial goals, and assessing the current financial condition of the client. We also develop a custom Investment Policy Statement which is the business plan for the clients assets managed by us. The client is responsible for sharing any change in their personal financial situation which might be material and warrant a change in the asset allocation of their investment portfolio. Other financial planning consulting is quoted and purchased separately. The annual Investment Management Agreement fee is based on a percentage of the investable assets according to the following schedule:

1.00% on the first \$250,000;  
0.80% on the assets between \$250,000 & \$500,000;  
0.70% on the assets between \$500,000 & \$1,000,000;  
0.60% on the assets between \$1,000,000 & \$5,000,000;  
0.50% on the assets over \$5,000,000

The minimum quarterly fee for asset management is \$625, which equates to an annual fee of \$2,500. Current client relationships may exist where the fees are higher or lower than the fee schedule above. The level of annual fees is not negotiable unless extraordinary special circumstances are present. Investment Management fees are negotiated at the sole discretion of AFA.

Although the Investment Management Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

### **Retainer Fee Arrangement**

In some circumstances, a Retainer Fee arrangement may be used in lieu of a fee that is based on a percentage of the investable assets. The retainer fee is based on the complexity of a client's specific circumstances and Net Worth, and is set at a fixed amount per year. The level of annual fees is negotiable at the sole discretion of AFA.

### **Limited Investment Management Agreement**

A Limited Investment Management Agreement may be executed when comprehensive financial planning is not received as part of the relationship. The annual fee for a Limited Investment Management Agreement is negotiable.

### **Hourly Planning Engagements**

Aust Financial Advisory offers hourly planning services for clients who wish to receive advice on a limited defined scope of work. The hourly rate for limited scope engagements is \$200.

## **Asset Management**

Assets are invested primarily in low-cost mutual funds and exchange-traded funds (ETFs). Mutual fund and ETF companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Brokerages may charge a transaction fee for the purchase of some funds. Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm typically charges a fee for stock and bond trades. Aust Financial Advisory does not receive any compensation, in any form, from fund companies or brokerage firms. Investments may also include: equities (stocks), warrants, corporate & government debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, U.S. government securities, options contracts, futures contracts, and interests in partnerships and LLCs. Initial public offerings (IPOs) are not available through Aust Financial Advisory.

## **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying Aust Financial Advisory in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. Aust Financial Advisory may terminate any of the aforementioned agreements at any time by notifying the client in writing.

## **Fees and Compensation**

### **Description**

Aust Financial Advisory bases its fees on a percentage of assets under management or a scope of work required to perform a financial planning project. Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship. Fees for financial plans are derived according to the degree of complexity associated with the client's situation and the amount of time a plan takes to develop.

### **Fee Billing**

Investment Management fees are billed quarterly, in arrears, meaning that clients are invoiced after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees are sometimes deducted from a designated client account to facilitate payment. The client must consent in advance to direct debiting of her/his investment account and will receive an email invoice from AFA prior to the custodian (Scottrade, Schwab) debiting the account for the quarterly fee. Fees for

financial plans or hourly consultations are billed 50% of the Fee is due before work commences and 50% of the fee is due upon completion of the agreed upon work. Payment terms of fees are negotiable based on the client's individual situation.

## **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Aust Financial Advisory in its sole discretion may waive their minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets involved, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

## **Expense Ratios**

Mutual funds and Exchange-Traded Funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Aust Financial Advisory. Performance figures quoted by mutual fund companies in various publications and websites are after their fees have been deducted, so are the net investment returns an investor receives.

## **Past Due Accounts and Termination of Agreement**

Aust Financial Advisory reserves the right to stop work on any account that is more than 30 days overdue. In addition, we reserve the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate. Termination would be necessary if in AFA's judgment, the withholding of important information impedes our ability to provide proper and appropriate financial advice.

## **Performance-Based Fees**

### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities. Aust Financial Advisory does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

# Types of Clients

## Description

Aust Financial Advisory generally provides investment advice to individual clients and families. Client relationships vary in scope and length of service.

## Account Minimums

No minimum account size is identified for clients who are Investment Management clients. Instead, a minimum charge of \$625 per quarter applies, which equates to an annual fee of \$2,500. Aust Financial Advisory has the discretion to waive the account minimum in special situations.

# Methods of Analysis, Investment Strategies and Risk of Loss

## Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis. The main sources of information include financial newspapers and magazines, Morningstar's Advisor Workstation, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases. Other sources of information that Aust Financial Advisory may use include Charles Schwab & Company's, Fidelity, E-Trade, Scottrade research and services, and websites found on the World Wide Web.

## Investment Strategies

Aust Financial Advisory generally follows passive indexed investment strategies which are typically utilize low-cost, low turnover, tax efficient ETF's and Mutual Funds. The investment strategy for a specific client is based upon the goals and objectives, risk profile, and timeframe for the investments goals articulated by the client and identified by Aust Financial Advisory during consultations. The client may change these goals and objectives at any time. Each Investment Management client executes an Investment Policy Statement that documents their goals and objectives and their preferred investment strategy. Other strategies may include long-term purchases, short-term purchases, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

## Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** International investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

### **Legal and Disciplinary**

Aust Financial Advisory has not been involved in legal or disciplinary events related to past or present investment or financial planning clients.

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

### **Financial Industry Activities**

Aust Financial Advisory is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

### **Affiliations**

Aust Financial Advisory has a relationship with Scottrade that allows it to manage and monitor client accounts, make security trades and debit their accounts for client agreed upon fees under a Limited Trading Authority agreement signed by the client. Aust Financial Advisory receives no compensation of any kind from Scottrade under this agreement. We are only compensated by our clients for Investment Management fees agreed upon by us and our clients. Clients may choose, and Aust Financial Advisory may recommend, other discount brokerage firms, such as Schwab, Fidelity or E-Trade, and others if they are better suited for the client. An example is a client who has their company stock options or a retirement account held by Fidelity. It may be that Fidelity would be a better fit for the clients other assets as well.

Aust Financial Advisory has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

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

### **Code of Ethics**

The employees of Aust Financial Advisory have committed to a Code of Ethics and Fiduciary Oath as outlined by the National Association of Personal Financial Advisors (NAPFA). The key points are: putting clients' interests first, objectivity, confidentiality, competence, fairness, and suitability, integrity and honesty, regulatory compliance, full disclosure and professionalism. Aust Financial Advisory has committed to a Code of Ethics that is available for review by clients and prospective clients upon request. Alternatively, it may be found on the Aust Financial Advisory website.

### **Participation or Interest in Client Transactions**

Aust Financial Advisory may buy or sell securities that are also held by clients. Aust Financial Advisory may not trade its own securities ahead of client trades.

## **Personal Trading**

The Chief Compliance Officer of Aust Financial Advisory is Arthur Otis Aust, CFP®. Since most trades for Aust Financial Advisory are small mutual fund trades or exchange-traded fund trades, the trades do not materially affect the securities markets.

## **Brokerage Practices**

### **Selecting Brokerage Firms**

Aust Financial Advisory does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. Aust Financial Advisory recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Aust Financial Advisory recommends discount brokerage firms and trust companies (qualified custodians), such as Scottrade, Charles Schwab & Company, Vanguard, E-Trade and Fidelity. Aust Financial Advisory does not receive fees, commissions or any compensation from any product sales firms or custodian.

### **Best Execution**

Aust Financial Advisory reviews the execution of trades at each custodian each quarter. Trading fees charged by the custodians are also reviewed on a quarterly basis. Aust Financial Advisory does not receive any portion of the trading fees.

### **Soft Dollars**

Aust Financial Advisory receives no software maintenance credit from Scottrade even though some client assets are custodied at Scottrade.

### **Order Aggregation**

Trades of mutual funds or exchange-traded funds for clients of Aust Financial Advisory are not involved in trade aggregation.

## **Review of Accounts**

### **Periodic Reviews**

Account reviews are performed either quarterly or semi-annually by Aust Financial Advisory for clients who have signed a contract for on-going Investment Management or Financial Planning services. Account reviews are performed more frequently when market conditions or clients' needs dictate.

## **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

## **Regular Reports**

Aust Financial Advisory considers the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Investment Management Clients receive periodic communications on a quarterly basis. Additionally, year-end reports typically include a net worth statement, or Balance Sheet and an updated Investment Policy Statement updated each year.

## **Client Referrals and Other Compensation**

### **Incoming Referrals**

Aust Financial Advisory has been fortunate to receive a number of client referrals over the last couple of years. The referrals came from current clients, estate planning attorneys, accountants, and other similar sources. No compensation is paid to referring parties for these referrals.

### **Referrals Out**

Aust Financial Advisory does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to him.

## **Custody**

### **Account Statements**

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record, or digitally via the custodian's website, at least quarterly.

### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Aust Financial Advisory.

Multiple data integrity checks are performed to ensure that data on our performance reports matches what is shown on account statements from custodians. Any performance reports provided by Aust Financial Advisory come directly from the custodian's reporting.

## **Net Worth Statements**

Clients are generally provided net worth statements (Balance Sheets) annually. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## **Investment Discretion** **Discretionary Authority for Trading**

Aust Financial Advisory accepts discretionary authority to manage securities accounts on behalf of clients. Aust Financial Advisory generally does not have the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Aust Financial Advisory generally consults with the client prior to each trade to obtain concurrence, if a blanket trading authorization has not been given. The client approves the custodian to be used and the commission rates paid to the custodian. Aust Financial Advisory does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades. Discretionary trading authority facilitates placing trades in client accounts on a client's behalf so that the investment policy that a client has approved in writing may be promptly implemented.

## **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. Clients generally sign a limited power of attorney so that trades approved by the Client may be executed on behalf of the Client.

## **Voting Client Securities** **Proxy Votes**

Aust Financial Advisory does not vote proxies on securities. Clients are expected to vote their own proxies. When assistance on voting proxies is requested, Aust Financial Advisory will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Financial Information** **Financial Condition**

Aust Financial Advisory does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because Aust Financial Advisory does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$500 per client, and six months or more in advance

## **Business Continuity Plan**

### **General**

Aust Financial Advisory has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, and services.

### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

### **Alternate Offices**

Alternate offices would be identified to support ongoing operations in the event the main office is unavailable. It is Aust Financial Advisory's intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### **Loss of Key Personnel**

Aust Financial Advisory has made arrangements with an advisor colleague to support the clients of Aust Financial Advisory in the event of Arthur Otis Aust's serious disability, or death. The arrangements with the advisor colleague are short-term in nature, and intended to assist the clients in transitioning to another financial advisor or resuming the management of their own investments.

## **Information Security Program**

### **Information Security**

Aust Financial Advisory maintains information security measures to reduce the risk that a client's personal and confidential information may be breached. Aust Financial Advisory maintains an information security program to reduce the risk that your personal and confidential information may be breached.

### **Privacy Notice**

Aust Financial Advisory is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to him. The categories of nonpublic information that Aust Financial Advisory may collect from clients may include information about a client's personal finances, information about health (to the extent that it is needed for the financial planning process), information about transactions between clients and third parties, and information from consumer reporting agencies, e.g., credit reports. Aust Financial Advisory uses this information to help clients meet their personal financial goals.

With client permission, Aust Financial Advisory discloses limited information to attorneys, accountants, and mortgage lenders with whom clients have established a relationship. Clients may opt out from Aust Financial Advisory's sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With client permission, Aust Financial Advisory shares a limited amount of information about you with the client's brokerage firm in order to execute securities transactions on a client's behalf. Aust Financial Advisory maintains a secure office to ensure that client information is not placed at unreasonable risk. A firewall barrier, secure data encryption techniques and authentication procedures are employed in the computer environment. Aust Financial Advisory does not provide client personal information to mailing list vendors or solicitors. Aust Financial Advisory requires strict confidentiality in his agreements with unaffiliated third parties that require access to client personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review its Company records and client personal records as permitted by law. Personally identifiable information about clients will be maintained while a client works with Aust Financial Advisory and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed. Aust Financial Advisory will notify you in advance if his privacy policy is expected to change. Aust Financial Advisory is required by law to deliver this *Privacy Notice* to clients annually, in writing.

## **Brochure Supplement (Part 2B of Form ADV) Education and Business Standards**

Aust Financial Advisory requires that advisors in its employ have an education standard which is consistent with the of that of a Certified Financial Planning practitioner, a Certified Public Accountant or an Accredited Investment Fiduciary. They must have:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Successfully completed the Series 65 Exam.
- Working toward fulfilling the 3 year full time experience requirement.
- Must be accepted as a provisional or full member of the National Association of Personal Financial Advisors (NAPFA).

- Accredited Investment Fiduciary®, or AIF® Designation.

## **Professional Certifications**

Employees have earned certifications and credentials that are required to be explained in further detail.

### **Accredited Investment Fiduciary ®**

AIF® designees are licensed by the Center for Fiduciary Studies, a part of the fi360 company. AIF certification requirements include:

- Successful completion of the 90 minute, closed-book, 60 question AIF exam, indicating at least 75% correct answers
- Successful completion of six hours of continuing professional education, four hours of which are fi360 Training continuing education.
- Sign and agree to abide by a code of ethics

### **CERTIFIED FINANCIAL PLANNER™**

CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals. Individuals who become certified must complete the following

ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **Arthur Otis Aust, CFP®, Principal, Chief Compliance Officer, Financial Planner**

#### **Educational Background:**

- Date of birth: 05/19/1958
- Institutions:
  - Bachelor of Business Administration, Finance, Samford University Birmingham, Alabama 1980
  - Certificate of Personal Financial Planning, Emory University, 2010

#### **Business Experience:**

- Self-employed as Fee Only Financial Planner from 2010-Present Full Time
- Enterprise Business Software Sales Executive 1980-2009
  - Dassault Systems
  - Oracle Corporation (Agile Software)
  - SAP
  - Aspect Development
  - Parametric Technology Corp. (Computervision)

Arthur Otis Aust completed the CERTIFIED FINANCIAL PLANNER™ Professional Education Program through Emory University which qualified him to sit for the Certified Financial Planners™ exam. He passed the rigorous two-day 10-hour CFP® Certification Examination in March of 2010 on his first sitting which has an overall pass rate of 57%. He earned the authorization to use the CFP® mark of distinction in after completing the

CFP Board of Standard's specific experience requirements. He has also passed the Series 65 Uniform Investment Adviser Exam. Otis Aust has been qualified and accepted as a member of the National Association of Personal Financial Advisors ([NAPFA](#)). He has also earned the designation of Accredited Investment Fiduciary® (or AIF®) from Fiduciary360 in April of 2012. Mr. Aust has received. This designation is earned from fi360 and The Center for Fiduciary Studies at the University of Pittsburgh and includes formal training in investment fiduciary responsibility legal and ethical responsibility.

In 1980, Otis Aust graduated from Samford University, Birmingham, Alabama, with a BBA degree in Finance. He worked twenty seven years (27) in sales and sales management for large business application software companies providing engineering, supply chain, and business management software solutions to large global manufacturing companies.

**Disciplinary Information:** None

**Other Business Activities:** None

**Additional Compensation:** None

**Supervision:**

Aust Financial Advisory has no employees other than Arthur Otis Aust.

**Arbitration Claims:** None

**Self-Regulatory Organization or Administrative Proceeding:** None

**Bankruptcy Petition:** None