

# Item 1: Cover Page



Birch Street Financial Advisors LLC

DBA Birch Street Financial Advisors

705 Birch St SW Vienna, VA 22180

(703) 319-8778

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

**Form ADV Part 2A – Firm Brochure**

Dated: March 15, 2024

This Brochure provides information about the qualifications and business practices of Birch Street Financial Advisors LLC (“BSFA”). If you have any questions about the contents of this Brochure, please contact us at (703) 319-8778. 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.

Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about BSFA is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), which can be found using the firm’s identification number, 305749.

## Item 2: Material Changes

The last annual update of this Brochure was filed on January 10, 2023. Since then, we have the following material changes to report:

Sub-advisor name change: Garrett Investment Advisors LLC (GIA)'s name changed to CGN Advisors LLC.

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Birch Street Financial Advisors.

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# Item 4: Advisory Business

## Description of Advisory Firm

Birch Street Financial Advisors LLC (“BSFA”) is registered as an Investment Adviser with the State of Virginia . We were founded in September 2019. Joanne Ehreth Burke is the principal owner of BSFA.

As of December 31, 2023, BSFA has \$26,570,417 in discretionary and \$0 in non-discretionary assets under management.

## Types of Advisory Services

### Investment Management Services Using Sub- Advisors (TAMPs)

We utilize the services of third-party investment advisers or Turnkey asset management providers (“TAMPs”) for portfolio management services. We assist Clients in selecting an appropriate allocation model, completing the TAMP’s investor profile questionnaire, interacting with the TAMP and conducting an ongoing review of the TAMP. Our review process and analysis of TAMPs is further discussed in Item 8 of this Form ADV Part 2A. Additionally, we will meet with the Client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Fees pertaining to this service are outlined in Item 5 of this brochure.

### CGN Advisors LLC (CGN), formerly Garrett Investment Advisors LLC (“GIA”) as a Sub-Advisor

CGN Advisors LLC (“CGN”) builds investment models through a technology solution and supports financial planners with investment strategies based on research, experience, and sound rationale. CGN primarily allocates Client assets among various mutual funds, exchange-traded funds (“ETFs”). CGN may also allocate Client assets in individual debt and equity securities, options, and independent investment managers. CGN's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. CGN manages Client investments in model portfolios on a discretionary basis.

### Project Based and Hourly Financial Planning Services

We provide project based financial planning services on topics such as retirement planning, risk management, college savings, cash flow, debt management, work benefits, and estate and incapacity planning.

Financial planning involves an evaluation of a Client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they affect and are affected by the entire financial and life situation of the Client. Clients purchasing this service will receive a written or an electronic report, providing the Client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern. The Client and advisor will work together to select specific areas to cover. These areas may include, but are not limited to, the following:

- **Cash Flow Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce

expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to tax-optimized savings strategies are included.
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.
- **Financial Goals:** We will help Clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet Clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, and reviewing employee stock options.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability,

property and casualty losses, and liability losses or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).

- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with the consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

### **Tax Preparation Services**

BSFA will not provide tax preparation services, but may refer Clients who use our Financial Planning or Investment Management Services to Joanne Ehreth Burke CPA PLLC to prepare federal and state individual, trust and/or Estate income tax returns. Clients may engage separately with this firm owned solely by Joanne Ehreth Burke CPA.

### **Ongoing Financial Planning**

This service involves working one-on-one with a planner over an extended period of time. By paying a fixed monthly or quarterly fee, Clients get to work with a planner who will work with them to develop and implement their plan. The planner will monitor the plan, recommend any changes and ensure the plan is up to date.

Upon desiring a comprehensive plan, a Client will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefits, retirement planning, insurance, investments, college planning, and estate planning. Once the Client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the Client. Clients subscribing to this service will receive a written or an electronic report, providing the Client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. If a follow-up meeting is required, we will meet at the Client's convenience. The plan and the Client's financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the Client to confirm that any agreed upon action steps have been carried out. On an annual basis, there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

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

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

### **Wrap Fee Programs**

We do not participate in a wrap fee program.

## Disclosure regarding retirement plans

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## Item 5: Fees and Compensation

Please note, unless a Client has received the firm's Disclosure Brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the Client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

### Investment Management Services Using Sub-Advisors (TAMPs)

The standard advisory fee is based on the market value of the account and is calculated as follows:

Account Value	Annual Advisory Fee
<b>\$0 - \$1,000,000</b>	0.95%
<b>\$1,000,001 - \$2,500,000</b>	0.80%
<b>\$2,500,001 - \$5,000,000</b>	0.70%
<b>\$5,000,001 and Above</b>	0.50%

Annualized asset-based fees for investment supervisory services will be billed monthly, in arrears. An account's first billing cycle will occur once the agreement is executed and funds have been received by the Custodian; a partial period will be assessed a pro-rated fee starting on the date the funds are received by the Custodian. Fee payments will generally be assessed within 10 business days following each billing cycle.

The advisory fee is a blended fee and is calculated by assessing the percentage rates shown above and applying the fee to the month end fair market value, resulting in a combined weighted fee. Accounts will be valued in accordance with the values disclosed on the statement the client receives from the custodian for the purpose of verifying the computation of the advisory fee. In the absence of a market value, we may seek an independent third-party opinion or a good faith determination by a qualified associate of our firm.

For example, an account valued at \$2,000,000 would pay an effective fee of 0.875% with the annual fee of \$17,500.00. The quarterly fee is determined by the following calculation:  $((\$1,000,000 \times .95\%) + (\$1,000,000 \times .80\%)) \div 4 = \$4,375.00$ . All accounts for members of the client's family (husband, wife and dependent children) or related businesses or trusts may be assessed fees based on the total balance of all accounts at a blended rate. The minimum account fee is \$4,000.

We retain discretion to negotiate the management fee within each tier on a client-by-client basis depending on the size, complexity, and nature of the portfolio managed. In addition, as your portfolio value exceeds each tier level, either through additional deposits or asset growth, a fee break will occur.

A minimum annual fee of \$4,000 (\$1,000.00 billed quarterly) will be billed to those accounts with portfolio values of \$400,000 or less, which may be waived or reduced if we feel circumstances are warranted.

At no time will the portion of the fee that is attributed to managing client accounts portfolio be greater than 2% of assets under our management. Fees are not based on the performance, capital gains, or capital appreciation of the client's funds or a portion thereof.

An account subject to the \$4,000 minimum annual fee will continue to pay the monthly fixed fee amount until such time as the account value exceeds \$400,000. Once this happens, the above fee schedule would be applied to the managed account. Keep in mind, the further an account drops below \$400,000, the more expensive our management services become (e.g., a managed account of \$133,350 with a minimum annual fee charge of \$4,000, will translate into an annual fee rate of 3.00%).

All fees deducted from your account will be noted on statements that you will receive directly from your custodian of record. Occasionally, adjustments will be made to your account for late trade settlements, dividend distributions, trade error corrections, and similar situations that occur after a given billing period. These adjustments will be reflected on the next account statement from the custodian of record.

Any transactional or custodial fees assessed by the Custodian, individual retirement account fees or qualified retirement plan account termination fees will be borne by you. Fees paid to our firm by our clients for our advisory services are separate from any transactional charges you may pay, as well as those for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other investments of this type.

When a TAMP is used, the TAMP will debit the Client's account for both the TAMP's fee, and BSFA's advisory fee, and will remit BSFA's fee to BSFA. Please note, the above fee schedule includes the TAMP's fee. No increase in the annual fee shall be effective without agreement from the Client by signing a new agreement or amendment to their current advisory agreement.

Accounts initiated or terminated during a calendar month will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 30 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account.

## **Project Based Financial Planning Fixed Fee**

*Note: This service is only available to our legacy clients who have already engaged with us for this service.*

Financial Planning will generally be offered on a fixed fee basis. The fixed fee will be agreed upon before the start of any work. The fixed fee is based on complexity and scope of the engagement and will be agreed upon at the beginning of the engagement. If a fixed fee program is chosen, half of the fee is due at the beginning of the process and the remainder is due upon completion of work, however, BSFA will not bill an amount above \$500.00 more than 6 months in advance. Fees for this service may be paid by electronic funds transfer or check. In the event of early



termination any prepaid but unearned fees will be refunded to the Client and any completed deliverables of the project will be provided to the Client and no further fees will be charged.

### **Hourly Financial Planning Services**

*Note: This service is only available to our legacy clients who have already engaged with us for this service.*

Hourly Financial Planning engagements are offered at an hourly rate between \$350.00 and \$450.00 per hour, depending on complexity and needs of the Client. The fee is due at the completion of the engagement. In the event of early termination by the Client, any fees for the hours already worked will be due. Fees for this service may be paid by electronic funds transfer or check.

### **Ongoing Financial Planning**

Ongoing Financial Planning consists of an upfront charge starting at \$1,250 and a minimum ongoing fee starting at \$500 per month or \$1,500 per quarter. This fee will increase by a minimum of 3% on an annual basis. Fees are paid in advance, based on complexity and needs of the Client and may be negotiable in certain cases. Fees for this service may be paid by electronic funds transfer or check. This service may be terminated with 30 days' notice. Upon termination of any agreement, the fee will be prorated and any unearned fee will be refunded to the Client.

The upfront portion of the Comprehensive Financial Planning fee is for Client onboarding, data gathering, and setting the basis for the financial plan. This work will commence immediately after the fee is paid, and will be completed within the first 30 days of the date the fee is paid. Therefore, the upfront portion of the fee will not be paid more than 6 months in advance.

If Assets Under Management are in excess of \$2.5MM, the Ongoing Financial Planning fee is waived.

### **Other Types of Fees and Expenses**

When implementing an investment recommendation, the Client may incur additional fees such as brokerage commissions, transaction fees, and other related costs and expenses. Clients may incur certain charges imposed by broker-dealers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for Client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

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

We do not offer performance-based fees and do not engage in side-by-side management.

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

We provide financial planning and portfolio management services to individuals, trusts, and high net- worth individuals.

Our minimum account size requirement for Investment Management Services is \$250,000 unless part of a family or related entity aggregation. We do not have a minimum account size requirement for Financial Planning Services.

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

**Use of Sub-Advisors (TAMPs):** We may refer Clients to third-party investment advisers ("TAMPs"). Our analysis of TAMPs involves the examination of the experience, expertise, investment philosophies, and past performance of the TAMPs in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the TAMP's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due diligence process, we survey the TAMP's compliance and business enterprise risks. A risk of investing with TAMPs who has been successful in the past is that he or she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a TAMP's portfolio. There is also a risk that a TAMP may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our Clients. Moreover, as we do not control the TAMP's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

### **Passive Investment Management**

We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve the desired relationship between correlation, risk, and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange-traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark.

### **Material Risks Involved**

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities, and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations

are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the Client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions, we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time, these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

**Currency Risk:** Overseas 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.

## **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Commercial Paper** is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity.

Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on factors such as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by

downturns in the U.S. and foreign economies or changes in banking regulations.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket.

Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Options and other derivatives** carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the Clients invest.

**Mutual Funds** When a Client invests in open-end mutual funds or ETFs, the Client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, many of which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

## Item 9: Disciplinary Information

### **Criminal or Civil Actions**

BSFA and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

BSFA and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

BSFA and its management persons have not been involved in any self-regulatory organization (SRO) proceedings.

## Item 10: Other Financial Industry Activities and Affiliations

No BSFA employee is registered, or has an application pending to register, as a broker-dealer or a registered

representative of a broker-dealer.

No BSFA employee is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

BSFA does not have any related parties. As a result, we do not have a relationship with any related parties.

BSFA only receives compensation directly from Clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

Joanne Ehreth Burke provides tax compliance and consulting services to individuals, trusts and estates as the Managing Member of Joanne Ehreth Burke CPA PLLC. This activity accounts for approximately 50% of her time.

### **Recommendations or Selections of Other Investment Advisers**

As referenced in Item 4 of this brochure, BSFA uses third party investment advisers to manage Client accounts. BSFA will only recommend third party investment advisers who are properly licensed or registered as an investment adviser. The fee charged by BSFA does include the third party investment adviser's fee.

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

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each Client. Our Clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

### **Code of Ethics Description**

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory Clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to Clients.
- Competence - Associated persons shall provide services to Clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to Clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential Client information without the specific consent of the Client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matters shall reflect the credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

## **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its associates or any related person is authorized to recommend to a Client or effect a transaction for a Client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

## **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Our firm and its “related persons” may buy or sell securities similar to, or different from, those we recommend to Clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates’ transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

## **Trading Securities At/Around the Same Time as Client’s Securities**

From time to time, our firm or its “related persons” may buy or sell securities for themselves at or around the same time as Clients. We will not trade non-mutual fund securities 5 days prior to the same security for Clients.

# **Item 12: Brokerage Practices**

## **Factors Used to Select Custodians and/or Broker-Dealers**

BSFA does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to the Client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

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

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

With this in consideration, our firm recommends Charles Schwab & Co., Inc. (“Schwab”), an independent and unaffiliated SEC registered broker-dealer firm and member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).



## Research and Other Soft-Dollar Benefits

We do not have any soft-dollar arrangements with custodians whereby soft-dollar credits, used to purchase products and services, are earned directly in proportion to the amount of commissions paid by a Client. However, as a result of being on their institutional platform, Schwab may provide us with certain services that may benefit us.

## Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide our Clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our Clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The benefits received by Advisor or its personnel do not depend on the number of brokerage transactions directed to Schwab. As part of its fiduciary duties to Clients, Advisor at all times must put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of Schwab for custody and brokerage services. This conflict of interest is mitigated as Advisor regularly reviews the factors used to select custodians to ensure our recommendation is appropriate. Following is a more detailed description of Schwab's support services:

1. **Services that benefit you.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our Clients. Schwab's services described in this paragraph generally benefit you and your account.
2. **Services that may not directly benefit you.** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our Clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our Clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:
  - provide access to Client account data (such as duplicate trade confirmations and account statements)
  - facilitate trade execution and allocate aggregated trade orders for multiple Client accounts
  - provide pricing and other market data
  - facilitate payment of our fees from our Clients' accounts
  - assist with back-office functions, recordkeeping, and Client reporting
3. **Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:
  - Educational conferences and events
  - Consulting on technology, compliance, legal, and business needs
  - Publications and conferences on practice management and business succession
4. **Your brokerage and custody costs.** For our Clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees.

## Brokerage for Client Referrals

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

## Clients Directing Which Broker/Dealer/Custodian to Use

Financial Planning Clients for whom we perform an investment analysis, as described in Item 4 of this brochure, may custody their assets at a custodian of their choice.

Our firm requires Clients establish account(s) at Schwab to execute transactions through. We will assist with establishing your account(s) at Schwab, however, we will not have the authority to open accounts on the Client's behalf. Not all investment advisers require their Clients to use their recommended custodian. By requiring that Clients use Schwab, we may be unable to achieve most favorable execution of Client transactions, and this practice may cost Clients more money. We base our recommendations on the factors disclosed in Item 12 herein and will only recommend custodians if we believe it's in the best interest of the Client. We do not permit Clients to direct brokerage (direct us to a broker-dealer of your choosing).

### **Aggregating (Block) Trading for Multiple Client Accounts**

Outside Managers used by BSFA may block Client trades at their discretion. Their specific practices are further discussed in their ADV Part 2A, Item 12

## **Item 13: Review of Accounts**

Client accounts with the Investment Management Service will be reviewed regularly on a quarterly basis by Joanne Ehreth Burke, Managing Member and CCO. The account is reviewed with regards to the Client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, additions or deletions of Client imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per Client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

BSFA will provide written reports to Investment Advisory Clients on an annual basis. We urge Clients to compare these reports against the account statements they receive from their custodian.

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

Except as mentioned in Item 12, we do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our Clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for Client referrals.

## **Item 15: Custody**

BSFA does not accept custody of Client funds except in the instance of withdrawing Client fees. For Client accounts in which BSFA directly debits their advisory fee:

- i. BSFA will send a copy of its invoice to the custodian at the same time that it sends the Client a copy.



- ii. The custodian will send at least quarterly statements to the Client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The Client will provide written authorization to BSFA, permitting them to be paid directly for their accounts held by the custodian.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains Client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16: Investment Discretion

For those Client accounts where we provide Investment Management Services, BSFA has discretionary authority and limited power of attorney to determine the securities and the amount of securities to be bought or sold for a Client's account without having to obtain prior Client approval for each transaction. Investment discretion is explained to Clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the Client will execute a Limited Power of Attorney, which will grant our firm discretion over the account(s). Additionally, the discretionary relationship will be outlined in the Advisory Contract and signed by the Client. Clients may limit our discretion by requesting certain restrictions on investments. However, approval of such requests are at the firm's sole discretion.

BSFA also has the discretion to direct the TAMP to buy or sell securities for Client's portfolio without obtaining prior Client approval for each transaction.

## Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the Client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of Client funds or securities or require or solicit prepayment of more than \$500 in fees per

Client six months in advance.

## Item 19: Requirements for State-Registered Advisers

### **Principal Officers**

Joanne Ehreth Burke serves as BSFA's sole principal and CCO. Information about Joanne Ehreth Burke's education, business background, and outside business activities can be found in her ADV Part 2B, Brochure Supplement attached to this Brochure.

### **Other Business Activities**

Joanne Ehreth Burke provides tax compliance and consulting services to individuals, trusts and estates as the Managing Member of Joanne Ehreth Burke CPA PLLC. This activity accounts for approximately 50% of her time.

### **Performance-Based Fees**

BSFA is not compensated by performance-based fees.

### **Material Disciplinary Disclosures**

No management person at Birch Street Financial Advisors LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

### **Material Relationships That Management Persons Have With Issuers of Securities**

BSFA , nor Joanne Ehreth Burke, have any relationship or arrangement with issuers of securities.



Birch Street Financial Advisors LLC

DBA Birch Street Financial Advisors

705 Birch St SW Vienna, VA 22180

(703) 319-8778

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

**Form ADV Part 2B – Brochure Supplement**

Dated: March 15, 2024

*For Joanne Ehreth Burke*

Managing Member, and Chief Compliance Officer

This brochure supplement provides information about Joanne Ehreth Burke that supplements the Birch Street Financial Advisors LLC (“BSFA”) brochure. A copy of that brochure precedes this supplement. Please contact Joanne Ehreth Burke if the BSFA brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Joanne Ehreth Burke is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 7042476.

# Item 2: Educational Background and Business Experience

## Joanne Ehreth Burke

Born: 1965

### Educational Background

- 1989 – Masters of Science Accounting - Taxation, University of Virginia
- 1988 – Bachelor of Science Accounting, University of Virginia

### Business Experience

- 09/2019 – Present, Birch Street Financial Advisors LLC, Managing Member and CCO
- 11/2018 – 09/2019, HD Vest Advisory Services, Registered Representative/Investment Services
- 11/1999 – Present, Joanne Ehreth Burke CPA PLLC, Managing Member

### Professional Designation(s)

**CFP® (Certified Financial Planner): (February 1999)** The 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. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with Clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

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 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.

**Personal Financial Specialist (PFS): (October 2018)** This designation is issued by the American Institute of Certified Public Accountants (AICPA) and is granted to individuals who must meet all of the following prerequisites: a member of the AICPA; hold an unrevoked CPA certificate issued by a state authority; earn at least 100 points under the PFS point system; and have substantial business experience in personal financial planning related services. The candidate is required to obtain personal financial planning specific education in addition to holding a valid CPA. The candidate must take a final certification examination (proctored by the AICPA) and once issued the individual must undergo Continuing Education in the form of 60 PFS points in personal financial planning experience as well as qualified 'life-long learning' activities every three years.

**Certified Public Accountant (CPA): (August 1989)** CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

## Item 3: Disciplinary Information

Joanne Ehreth Burke has never been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Item 4: Other Business Activities

Joanne Ehreth Burke provides tax compliance and consulting services to individuals, trusts and estates as the Managing Member of Joanne Ehreth Burke CPA PLLC. This activity accounts for approximately 50% of her time.

## Item 5: Additional Compensation

Joanne Ehreth Burke does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through BSFA.

## Item 6: Supervision

Joanne Ehreth Burke, as Managing Member and Chief Compliance Officer of BSFA, is responsible for supervision. She may be contacted at the phone number on this brochure supplement.

## Item 7: Requirements for State Registered Advisers

Joanne Ehreth Burke has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.